GAMES FUTURES

Google Play • October 2020 • Google Confidential

REDACTED VERSION OF DOCUMENT(S) SOUGHT TO BE SEALED

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GOOG-APPL-00005392

DX-4303.001
Google Confidential
Need-to-Know

REDACTED VERSION OF DOCUMENT(S) SOUGHT TO BE SEALED

DX-4303.002
Deliver the best platform to build, discover, and experience games.
### Platform expansion and commoditization

<table>
<thead>
<tr>
<th>Multiplatform</th>
<th>Price+value bundling</th>
<th>Meta-social</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Game access and retailing across screens</em></td>
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<tr>
<td>Game publishers eager to sell their games to the widest audiences: blurring device distinction. Fortnite, Hearthstone, Roblox were just the beginning. Platforms competing to expand their reach. Apple’s Arm move and iCloud are prime examples. (and Xbox S won’t have any exclusives).</td>
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<tr>
<td><em>Price competition increases as multi platform games expand.</em></td>
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<tr>
<td>Codes and discounts (Garena, Amazon), deals on in-game goods (Epic, Xbox), and off-platform discounts (WeChat / Super apps) all use price to incent platform switching. Cross-platform subscriptions (Xbox Game Pass, Prime Gaming) bundle value across catalog of popular games to retain HVUs.</td>
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<tr>
<td><em>Beyond gameplay: social experiences like esports and community events</em></td>
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<tr>
<td>Rise of mobile and casual esports: PUBG, World of Warcraft, Pokémon Go, Among Us.</td>
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<td>Mass Community Events: Pokémon Go Fest, Discord, Twitch community, Fortnite concerts</td>
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**REDACTED VERSION OF DOCUMENT(S) SOUGHT TO BE SEALED**
“Lock in” and “lock out” factors

**Barriers to entry**
Our platform could see fewer independent games, less innovation
Cost of game development is increasing, ADV for games dropping.
Technical innovation increases challenges for new entrants.

**Intermediaries**
Our catalog and relevance can become less attractive
3P full-stack services emerging to accelerate game making 40% (Tencent Cloud, MSFT Game Stack)
Integrated tool sets (game engines like Unity, Unreal)

**De-risking**
Our reach value proposition could be undermined
Portfolio Accumulation offers guarantees to studios, but can limit catalog access.
Exclusives / Minimum Guarantees from platforms to drive user acquisition.

REDACTED VERSION OF DOCUMENT(S) SOUGHT TO BE SEALED
Vision

Brought to you by "partially funded" and "i have a dream" production.
Experience the world's largest game platform

Play on any screen
Publish with Google to get access to 3 billion users across mobile devices, desktops and smart displays. “Designed for” the platform with easy-to-use APIs.

Connect to the world's game happenings
Connect with brands, influencers and key events. Event platform for the world’s game happenings for a >500M active users and YouTube viewers.

Bundled value: Subs, Discounts, & Deals
Catalog in-game assets to build content driven subscriptions, drive discounts & loyalty, and foster super premium games. Grow relationships with >XXXM buyers.

Full-spectrum developer services
Create the equivalent of LCS/GCs for games, with lifecycle game services from crowdfunding, to growth, operations and support.
Google’s Game Platform

Win the hearts and minds of 3 billion players through incredible game experiences...

with high quality games from developers of all kinds.
Games are "designed" for Google’s ecosystem to get the greatest reach

Publish to a harmonized experience across

1. platforms (Android, Windows, Mac)
2. devices (phones, desktops, smart displays, TVs with game controller support) and
3. game experiences (in-game presence, event platform, cross-screen discovery, cross-catalog content bundles).

Publishing to the world’s largest game network strongly demonstrates our value.
Google offers full-spectrum developer services for game making

- equivalent of LCS/GCS for game making and growth
- cloud powered services for game delivery and operations.
Play on any screen

The largest consumer-facing game platform worldwide, across screens.

Designated for Google's game ecosystem: quality-rated games on all screens, offering
desktop, Android (mobile/emulated), Windows native
and MacOS Play services.

Join the growing family of publishers and
game studios across all platforms.

Organize the world's largest aggregate games across providers, including game
plugins, and manage game downloads.

Find games through Google Play and 3rd parties.

DX-4303.012
Play on any screen

Unify mobile, desktop, TV and smart display experience.

Every device is a console: low-BOM, ear-buds style BT controller.

Cross-screen input: unlock smart displays and TVs with universal controller support.

Performance stack: intelligently stream assets for instant play and adapt game to device capabilities.
Experience game happenings

We distribute experiences, not just software. Ecosystem wide presence and events platform for beyond-gameplay experiences

Event/Tournament system: Invent bottom of the pyramid for esports. Satellite tournament system (SDK) enables frequent creator/player events to win access to largest tournaments (even if we don’t have the game)


Unlock YouTube watchtime -> play -> reward CUJs
Bundled value

Be in the business of in-game content: bundle value across the platform.

Start with a content driven game subscription: useful across the catalog and screens.

- **Unlockables**: Unique loot across the most popular games.
- **Access**: 100s HQ quality games, no ads.
- **Discounts and points**: exclusive discounts on premium and IAPs, 2x member points
- **Tie-ins**: YouTube status, game controller SKU

**Google Play Game subscription**

![Google Play Game subscription](image_url)
Bundled value

F2P promotions at scale

**In-game content understanding:** Catalog SKUs, list and regional prices, targeting with affiliate program incentives. Competitive price detection and terms.

**Surface:** promote across surfaces, pricing, life cycle targeting. Upsell across Play/YouTube/Search.

Super-premium made possible

**Price & quality:** price floor and quality requirements (controller, cross-screen, “HD price”); anchor price for showing subscription value.
Full service provider for game making

Client services to foster successful game developers.

Crowdfunding: find new, winning content among torso and upstart developers. Leans into our history of hoisting up any developer.

Professional Services: Design, growth consulting, 1st-tier customer support, developer devtech support

Platform Services: game content and hosted delivery, monetization optimization services, game development tools to easily adapt games for cross-screen gameplay.

Unlock GCP workloads serving platform services (x-plat).
Multiplatform is an accelerator

Play on any screen

Connect to the world’s game
happenings

- Connect to the world’s game experiences, not just software. Event platform for the world’s
  game happenings for a >500M active users and YouTube viewers.

Bundled value: Subs, Discounts, & Deals

- Grow relationship with XXXM buyers. Catalog in-game assets to build content
  driven subscription, drive discounts & loyalty program, and foster super-premium games.

Full-spectrum developer services

- Create the equivalent of LCS/GCS for games, with lifecycle game services from
crowdfunding, to growth, operations and support.
Current multiplatform efforts

Starting the multiplatform journey
This is what we showed last time
Demand for a high-quality mobile->PC game experience
Introducing
THE PLAYERS

POWER PLAYER
"I play mobile gaming in my free time."
Top countries: Taiwan, Korea
Most excited for Battlerite due to its
highly competitive gameplay and
intense team-based strategy.
Top genres: MOBA, RPG, Strategy

LOYALIST
I was one of the first to try mobile
The "Best of mobile gaming"
Top countries: India
Most excited for Battlerite due to its
highly competitive gameplay and
intense team-based strategy.
Top genres: MOBA, RPG, Strategy

PERSISTENT PUZZLER
"I play mobile gaming on the go." "I
I was one of the first to try mobile
The "Best of mobile gaming"
Top countries: India
Most excited for Battlerite due to its
highly competitive gameplay and
intense team-based strategy.
Top genres: MOBA, RPG, Strategy

DABBLER
"I play mobile gaming in my free
time."
Top countries: US & UK
Most excited for Battlerite due to its
highly competitive gameplay and
intense team-based strategy.
Top genres: MOBA, RPG, Strategy

Target audience profiles
UX Prototype
**AdMob Desktop + UAC represents additional upside**

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<tr>
<td><strong>Play IAP</strong></td>
<td>Based on initial 2 – 3 year forecasts</td>
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<tr>
<td><strong>Buyside App Ads</strong></td>
<td>Includes Desktop to B+ and Desktop to Mobile opportunity</td>
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<tr>
<td><strong>Sellside App Ads</strong></td>
<td>Assumes 10% incremental revenue on existing Android games, AdMob and Ad Manager</td>
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"Google Confidential"
<table>
<thead>
<tr>
<th>V1</th>
<th>Next</th>
<th>Beyond</th>
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<tbody>
<tr>
<td>The best of Android mobile games on PC (~100 - 125)</td>
<td>Scale the catalog (~1000s)</td>
<td>Multi-platform + smart devices</td>
</tr>
<tr>
<td>Cross device story: Android, Windows and ChromeOS</td>
<td>Game network: Livestreaming, YT rewards, presence, friends, chat, MacOS expansion, Windows Native</td>
<td></td>
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<tr>
<td>Play promotional value (Points, Pass)</td>
<td>MacOS expansion, Windows Native</td>
<td>B+ Ads</td>
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<tr>
<td>Ads buy/sell side</td>
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Roadmap 2025
Google’s game platform

Multiplatform
Publish with Google (quality-gated) to get access to 3 billion devices across phones, desktops and smart displays. Branded platform with recognisables.

Game Network
1.6b DAU playing on our game network distributing game experiences, not just software. Presence and tournament platform for the world's game populations across Play and YouTube.

Bundled Offerings
Grow relationship with XXXM buyers as Play Pass subscribers, in-game items and X-screen premium game purchasers.

Developer Services
Demonstrate value to make any game developer successful through tools, platform and professional services. Create our "ECOSYS" for games."
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Growth Consulting:

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<td>gentle post-weekend bump, link if you can help with the potential funded projects</td>
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<td>missed the link to slide before: <a href="https://docs.google.com/presentation/d/">https://docs.google.com/presentation/d/</a></td>
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<td>7</td>
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<td>10/20/2020 00:59:24</td>
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<tr>
<td>10</td>
<td>10/20/2020 01:05:18</td>
<td>Thanks Greg, I pasted the slide (next slide) which should be a merge of this slide with that info. Please feel free to format as needed</td>
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Fin.
Reference materials
BY THE END OF 2021

**Expanded Platform**
- Revamp games sign-in (easier, cloud sync)
- Pivot the Play Games to "Indie game" destination

**Quality Reach**
- Launch our performance framework and game dashboard on Android 5.
- Drive increased game quality w/ feedback loop

**Promote Game Moments**
- Amplify moments across top game lifecycles.
- YouTube/Play
- Expand rewards loop
Expand the Platform

**Play Games App**
Pivot to mobile destination for Play's indie game efforts.

**Play Games Services**
Simplified sign-in to increase adoption (policy path) and improved ease of use via a platform overlay.
Quality Reach

GameCore
A cohesive developer tool/SDK suite for quality Android game development
- Bundle tools & APIs needed for quality native game development (i.e., Jetpack for games)
- Increase game quality at scale metrics (Android vitals) → insights (ROI) → feedback to improve (APT, Swaggy, etc.)

Performance Stack
Performance-first framework: optimized games, apps and fast display
- Grow a segment of "optimized devices" using our stack with a catalog of optimized games
- Android "Game Dashboard" (performance mode) for user control
- Starting with Pixel 6, OEMs get catalog perf wins from adopting our stack; Devas get unique status in Play Store

Reach services
Expand the service portfolio to address reach impediments
- Address privacy
- Expand automatic integrity protection (runtime + install time); Integrity API expansion to B
- Improve loading times: Play Asset
- Delivery asset only updates, game SDK tools
- Improve device targeting through device insights

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## Promoting Game Moments

<table>
<thead>
<tr>
<th>Multiplatform tie-ins</th>
<th>Amplify moments</th>
<th>YouTube+Play</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure strong game retailing across screens</td>
<td>Promote throughout a game's lifecycle</td>
<td>Watch-&gt;Play-&gt;Reward loop</td>
</tr>
<tr>
<td>Buy/Sell side desktop ads (non-play, no in-game)</td>
<td>New surfaces to follow and receive new game marketing moments, and promotional in-game content.</td>
<td>Loot drop rewards launch and expansion to additional creature types.</td>
</tr>
<tr>
<td>Cross-screen monetization capabilities: Delegated mobile DCB, Battlestar loyalty, Play Pass, Leon/Growth</td>
<td>Segmentation tools for targeting promotions and tentpole launches</td>
<td>Integrate into lifecycle promotion tools (beta/pre-reg)</td>
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<tr>
<td>Cross-platform game sign-in</td>
<td>Support</td>
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**REDUCTED VERSION OF DOCUMENT(S) SOUGHT TO BE SEALED**
Experience the world's largest game network

Play on any screen
Publish with Google to get access to 3 billion users across mobile devices, desktops and smart displays. "Designed for" the platforms with no gyro-policies.

Connect to the world's game happenings
Connect with brands, influencers, and key events. Event platform for the world's game happenings for a $500M active user and YouTube viewers.

Bundled value: Subs, Discounts, & Deals
Catalog in-game assets to build content driven subscriptions, drive discounts & loyalty, and foster super-premium games. Grow relationships with $XXXM buyers.

Full-spectrum developer services
Create the equivalent of LCS/GCS for games, with lifecycle game services from crowdfunding to growth, operations and support.
Landscape

what's coming, the meteors, the externalities...
Platform expansion and commoditization

**Multiplatform**
Growing game access and retailing across screens
Game publishers eager to sell their games to the widest audiences blurring the distinction. Fortnite, Hearthstone, Roblox were just the beginning. Platforms competing to expand their reach. Apple’s ArcPlay, move and Xbox Game Pass/Cloud are prime examples. (and Xbox S won’t have any exclusives.)

**Price+value bundling**
Price competition increases as multi platform games expand. Codes and discounts (Garena, Amazon), deals on in-game goods (Epic, Xbox), and off-platform discounts (Webtops / Super apps) all use price to incent platform switching.

**Meta-social**
Beyond gameplay: social experiences like esports and community events
Rise of mobile and casual esports: PUBG, Apex legends, Fall Guys: Among Us
Mass Community Events: POGO, GO Fest, Discord, Twitt: community
Fortnite concerts

REDACTED VERSION OF DOCUMENT(S) SOUGHT TO BE SEALED
“Lock in” and “lock out” factors

**Barriers to entry**
Our platform could see fewer independent games, less innovation
- Cost of game development is increasing, AOV for games dropping.
- Technical innovation increases challenges for new entrants.

**Intermediaries**
Our catalog and relevance can become less attractive
- 3P full-stack services emerging to accelerate game making s2g (Tencent, Cloud, MSFT Game Stack)
- Integrated tool sets (game engines like Unity, Unreal)

**De-risking**
Our reach/value proposition could be undermined
- Portfolio accumulation offers guarantees to studios, but can limit catalog access.
- Exclusives / Minimum Guarantees from platforms to drive user acquisition.
Game platform & content convergence is happening.
Microsoft: platform trend example

“Microsoft is in the gaming business for the long run, we want to be a platform where hundreds of millions or billions of players can find somewhere to play”... “Building walls around Xbox, so the only way you can continue the experience you love is to buy a new console this fall—for us, it doesn’t seem in line with the values we have as a team.”

- Phil Spencer, Microsoft EVP of Gaming

Key points
- Expanding platform & catalog reach across screens
- Services that support every phase of game development (Enterprise playbook)
Epic: content maker trend example

“30 percent is disproportionate to the cost of the services these stores perform ... [Epic is] intimately familiar with these costs from its direct distribution on Mac and PC”
- Tim Sweeney, CEO Epic Games

Key points
- Challenges biz model at service level
- Play positioned as "a store platform", not an ecosystem
Tencent: full stack example

Key points
- Full stack provider + investor + C:N: de-risks game publishing
- Encourages less independence as e2e partners provide guarantees
# The Logic of the Pillars

<table>
<thead>
<tr>
<th>Trends</th>
<th>Pillar</th>
<th>Where to Play</th>
<th>How to win</th>
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</thead>
<tbody>
<tr>
<td>Game platforms that allow you to get to all screens types.</td>
<td>Multi/Platform Ambient gaming</td>
<td><strong>Where to Play</strong>&lt;br&gt;Embrace and extend the Google Play experience and catalog beyond mobile devices.</td>
<td>Bring your catalog and tech needs to more screens and platforms, including Google's Ambient computing vision. Start with Windows to distribute emulated, native and streamed games, with a low-cost universal portable game controller. Gain 1/3 of a $35B-50B+ games industry in 2015, and avoid distress on mobile.</td>
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<tr>
<td>Platform commoditization.</td>
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<td><strong>Objective:</strong> Spend/Revenue</td>
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<tr>
<td>Price/value competition</td>
<td>The Business of Game Content</td>
<td><strong>Where to Play</strong>&lt;br&gt;Create offerings that offer more game content per dollar</td>
<td>Build promotion and retail capability that enables us to&lt;br&gt;&lt;br&gt;<strong>A)</strong> F2P upside: Catalog in-game content to disclose, bundle and upsell at WW scale.&lt;br&gt;<strong>B)</strong> Platform Subscription Bundle: Offer a multi-platform content subscription&lt;br&gt;<strong>C)</strong> Premium: Make one-time purchase premium games a 1st class citizen in our platform</td>
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<tr>
<td></td>
<td></td>
<td><strong>Objective:</strong> Spend/Revenue</td>
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<tr>
<td>Experts, meta-social, multiplatform</td>
<td>Happenings</td>
<td><strong>Where to Play</strong>&lt;br&gt;Organize the world's game happenings and be the best platform to discover and engage with them.</td>
<td>Disrupt from below with a scaled events/presence platform and connect users to active game happenings worldwide across friends, influencers and publishers. Enable real-money gambling in appropriate regions. Engage developers to run their “satellite” tournaments and events, with invites to their global events among the prizes.</td>
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<td>Portfolio accumulation</td>
<td>Full-spectrum services and tools</td>
<td><strong>Objective:</strong> DAA/Engagement</td>
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<tr>
<td>Barriers to entry</td>
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<td>Tech intermediaries</td>
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<td>Game development</td>
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<td>** LCS for games**</td>
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<td><strong>Objective:</strong> Developer SAT/quality</td>
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**NOTE:** REDACTED VERSION OF DOCUMENT(S) SOUGHT TO BE SEALED
Why not _______?

And other problems we’re not ready to address.
Considered, but not top priority for us
Ecosystem Shifts

- **Apple and ARM:**
  - more examples of multiplatform games in pipeline
  - Valve's Dota Underlords (2019, Source 2 engine), Riot's Teamfight Tactics (own engine) and Legends of Runeterra (2020, Unity);
  - in development: Singularity 6’ tbd (Unreal engine), Bonfire Studios tbd (engine n/a), Super Evil Megacorp's Catalyst Black (E.V.I.L. engine), Klang's Seed (Unreal engine)

- **More game streaming movement - msft, amazon, tencent**
Why this matters

User convenience, flexibility to play on mobile / desktop / console devices.
- More platforms emerge as substitutes.
- User relationship is more than device ownership

Must demonstrate strong developer value proposition to reach largest audience
- Platforms with the most reach + simple game dev experience are more attractive
- Lower entry barrier and opex to running a game business
- Clearer justification of our business model(s)

- Convenient for users to play games on mobile and desktop devices (flexibility, end-to-end)
- Relationship user will change - user's will have substitutes to play anywhere, we need to meet them where they are.
- Devs - Win on reach
- Greatest value for developers.
- Platforms - will win on simple game dev experience: one binary, multiple screens = lower barrier and lower costs to running a game business.