

realnetworks[®]

Investor Presentation | September 2018

Safe harbor statement

This presentation contains forward-looking statements that involve risks and uncertainties, including statements relating to RealNetworks' current expectations regarding future revenue, gross profit and adjusted EBITDA, our future growth, profitability, and market position, our strategic focus and initiatives, and agreements with partners and customers. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements. These statements reflect RealNetworks' expectations as of today, and actual results may differ materially from the results predicted. Factors that could cause actual results to differ from the results predicted include: RealNetworks' ability to realize operating efficiencies, growth and other benefits from the implementation of its growth plan, strategic initiatives, and restructuring efforts; the emergence of new entrants and competition in the market for digital media products and services; other competitive risks, including the growth of competing technologies, products and services; the potential outcomes and effects of claims and legal proceedings on RealNetworks' business, prospects, financial condition or results of operations; risks associated with key customer or strategic relationships, business acquisitions and the introduction of new products and services; changes in consumer and advertising spending in response to disruptions in the global financial markets; fluctuations in foreign currencies; and changes in RealNetworks' effective tax rate. More information about potential risk factors that could affect RealNetworks' business and financial results is included in RealNetworks' annual report on Form 10-K for the most recent year ended December 31, its quarterly reports on Form 10-Q and in other reports and documents filed by RealNetworks from time to time with the Securities and Exchange Commission. The preparation of RealNetworks' financial statements and forward-looking financial guidance requires the company to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses during the reported period. Actual results may differ materially from these estimates under different assumptions or conditions. The company assumes no obligation to update any forward-looking statements or information, which are in effect as of their respective dates.

SAFR™, Kontxt™, RealMedia® HD, RealPlayer®, GameHouse®, RealVideo®, RealAudio®, RealTimes®, LISTEN®, and other trademarks of ours are used throughout this presentation

RealNetworks, the inventor of the streaming media category, creates next-generation products that employ artificial intelligence and best-in-class machine learning to enhance and secure our digital lives



Investor highlights

- i. Emerging turnaround story
- ii. Continued legacy of innovation
- iii. Diverse business portfolio
- iv. High-margin products
- v. Solid balance sheet
- vi. Optionality in Napster ownership

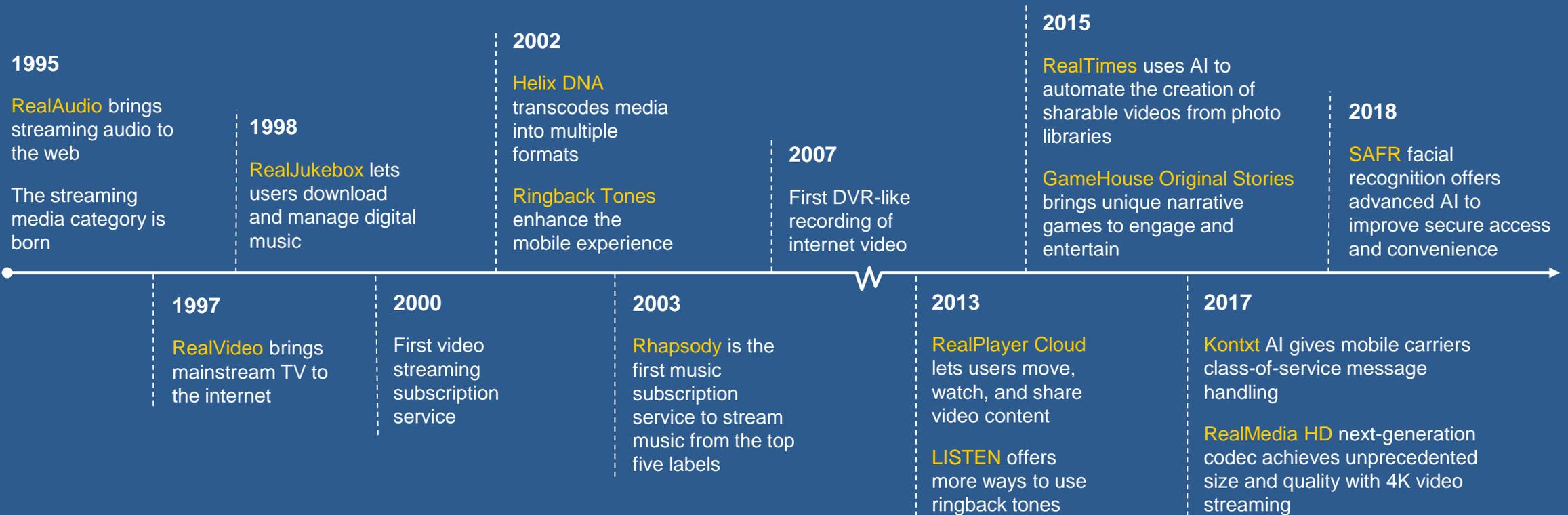


Investing in promising
new products to drive
top-line growth

Fostering new worldwide
technology and
distribution partnerships

Aligning and rightsizing
business operations to
enhance profitability





A legacy of innovation

A diversified business portfolio

	MOBILE SERVICES	CONSUMER MEDIA	GAMES	DIGITAL MUSIC	
Advancing	 <p>AI facial recognition technologies enabling a range of use cases across distinct vertical markets</p>	 <p>Carrier-grade text messaging tools for high volume management and delivery to ensure a superior digital experience</p>	 <p>Highest quality 4K media delivered to any screen without taxing networks, bandwidth, or batteries</p>	 <p>Original games, content and subscription services to engage and entertain</p>	 <p>Streaming music subscription services that provides members ad-free access to millions of songs and a curated experience</p>
Developed	<p>Inter Carrier Messaging Ringback tones RealTimes</p>	<p>RealPlayer RMVB</p>	<p>Zylom.com GameHouse.com</p>		

SAFR™

Secure, Accurate Facial Recognition

Highly accurate machine learning facial recognition platform

- World-class accuracy
- Extraordinary efficiency and flexibility
- Designed for privacy and socially-positive use cases
- Advanced platform that easily integrates with off-the-shelf hardware
- Ranked as the #1 US-based facial recognition system in several key categories by National Institute of Standards and Technology



99.8%

LFW* FACES

University of MA 2017

*Labeled faces in the wild

NIST

0.048

WILD FACES FNMR*

National Institute of Standards and Technology 2018

*False non-match rate



SAFR for K-12 schools released July 2018 to enhance school safety

- Available to individual schools in the US and Canada at no cost
- Supports a range of use cases: admittance, guest check-in, hall monitoring, alerts and reports
- Commercially available for additional verticals beginning this fall



SCHOOLS CAN NOW GET FACIAL RECOGNITION TECH FOR FREE. SHOULD THEY?



This company is giving away face recognition software to K-12 schools
RealNetworks launched a [website](#) today that allows schools in North America to download and implement its facial recognition software for free.



Schools can now get free facial recognition software to track students



RealNetworks offers free facial recognition software for K-12
The technology — though sure to spark some controversy — aims to help control access to school buildings.



Schools Are Starting To Use Facial Recognition Technology To Keep Students Safe, Here's How It Works



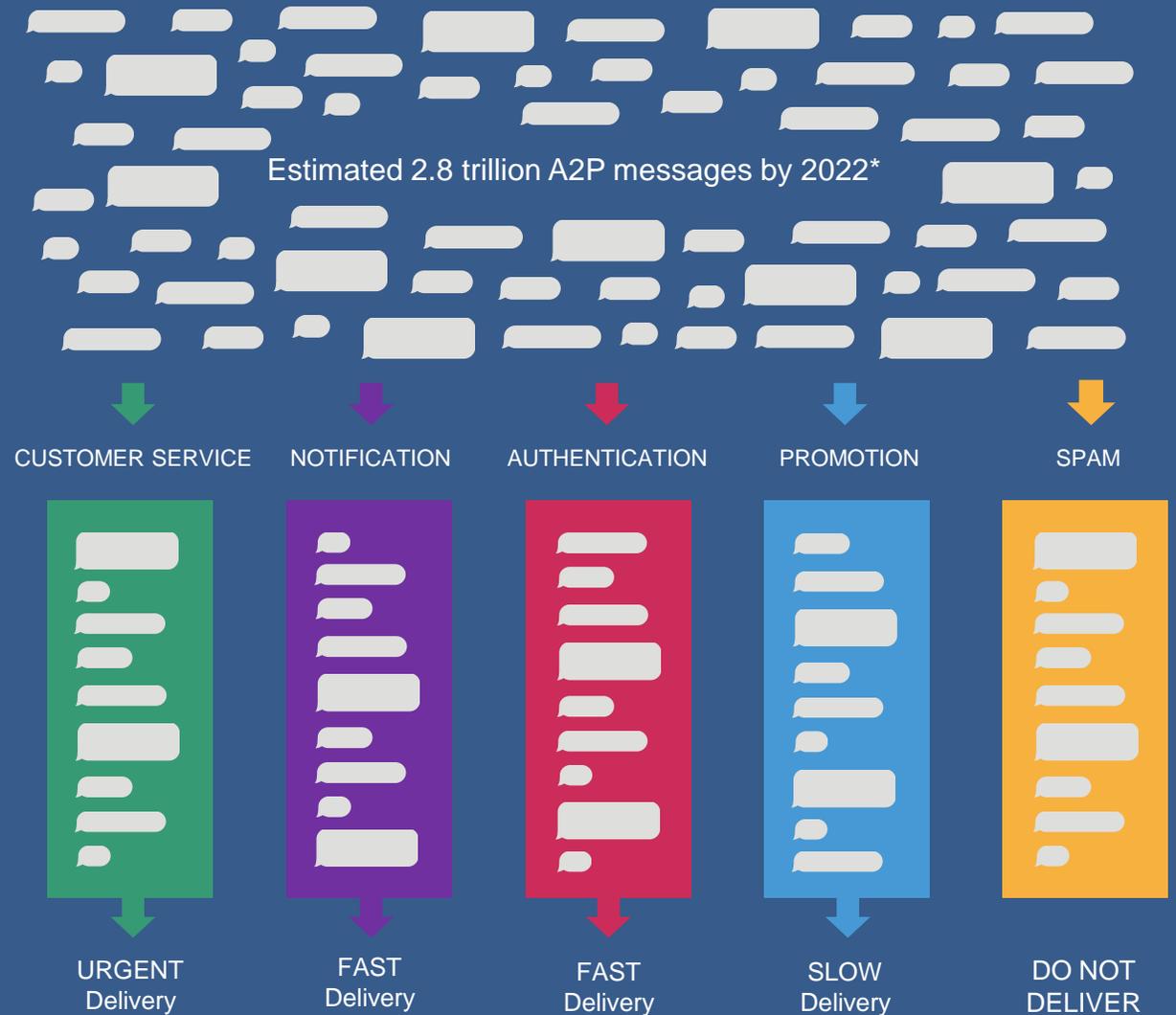
Facial recognition is at summer camp and being offered free to schools
CATEGORIES: Biometric News | Facial Recognition | Schools

KONTXT™

Carrier-grade text message prioritization, routing, and delivery using advanced machine learning algorithms

- Unmanaged mobile message delivery represents an estimated carrier revenue loss of \$15 billion annually
- Enables new carrier service tiers and revenue streams
- Next-generation spam filtering and gray route detection

*According to mobile intelligence research firm Mobilesquared



realmedia[®] HD

Best-in-class streaming media codec delivering crystal-clear 4K video at half the bitrate, allowing crisp and smooth playback on any device

- Ideal balance of quality vs. efficiency
- Higher compression efficiency, faster encoding time, and lower costs
- Mobile friendly, with low CPU consumption

Launched commercial deployment in China with CIBN OTT TV, reaching 110 million subscribers

- In 2018, 229 million people in China will watch video via subscription streaming services
- CIBN is the 3rd largest OTT operator in China

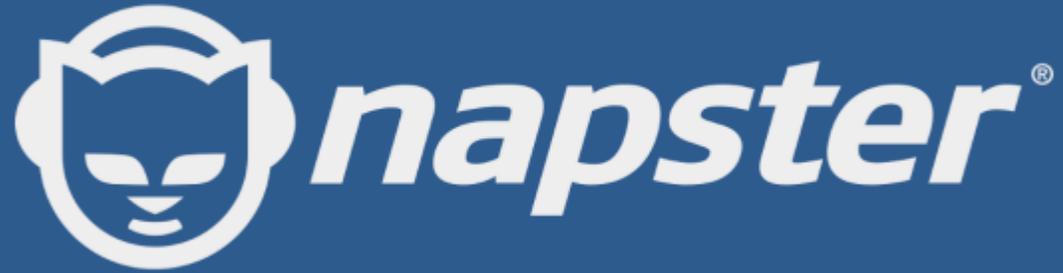




A unique category of narrative games with rich character development and engaging storylines

- Five internal studios and six partner studios
- Over 30 original titles with one new story released per month
- 12 hours of gameplay per title
- 33 million mobile installs (+82% YOY)



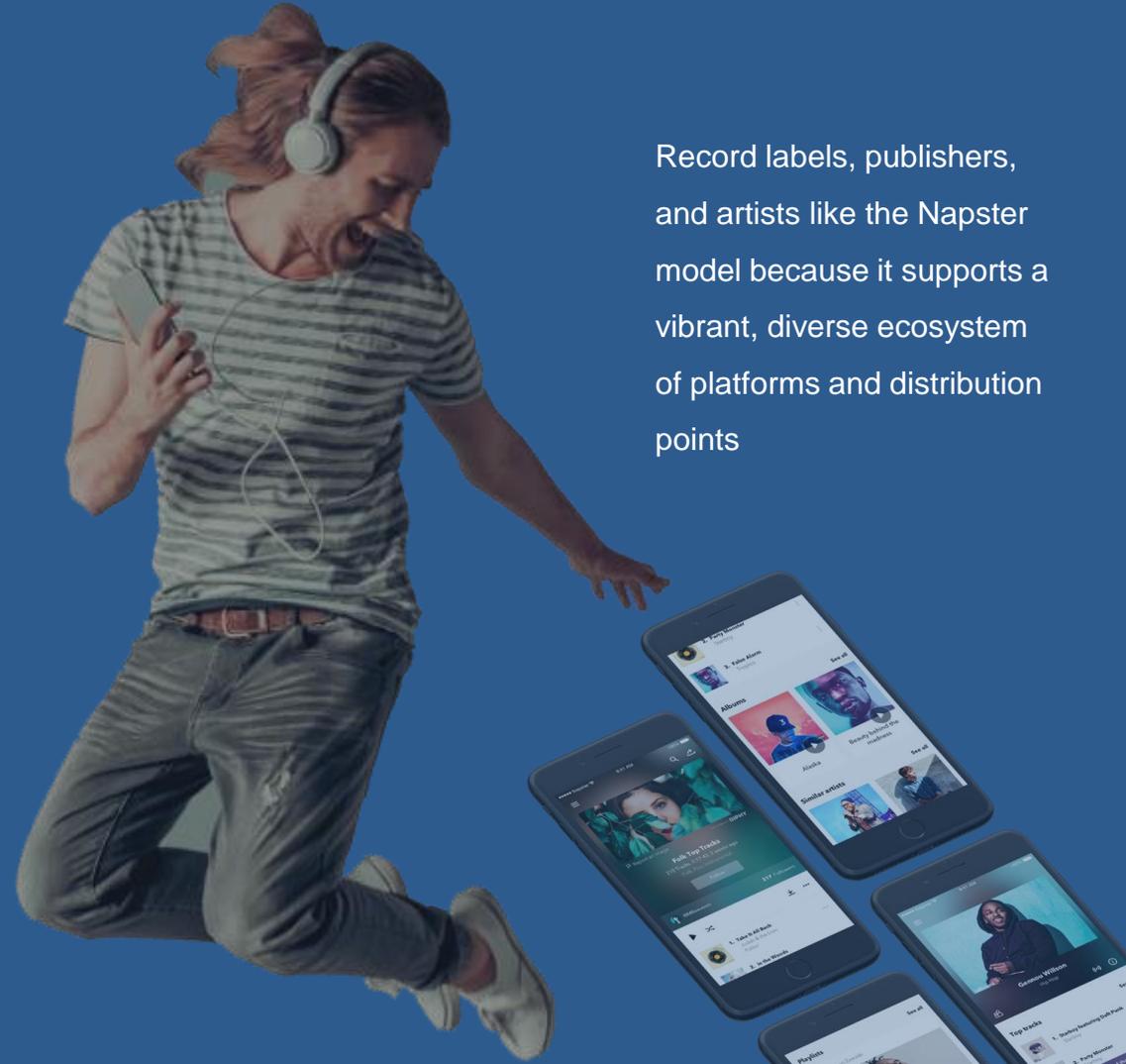


realnetworks

Streaming music services and B2B platform. The only major provider of both *Platform as a Service* and white label products dedicated to music and audio

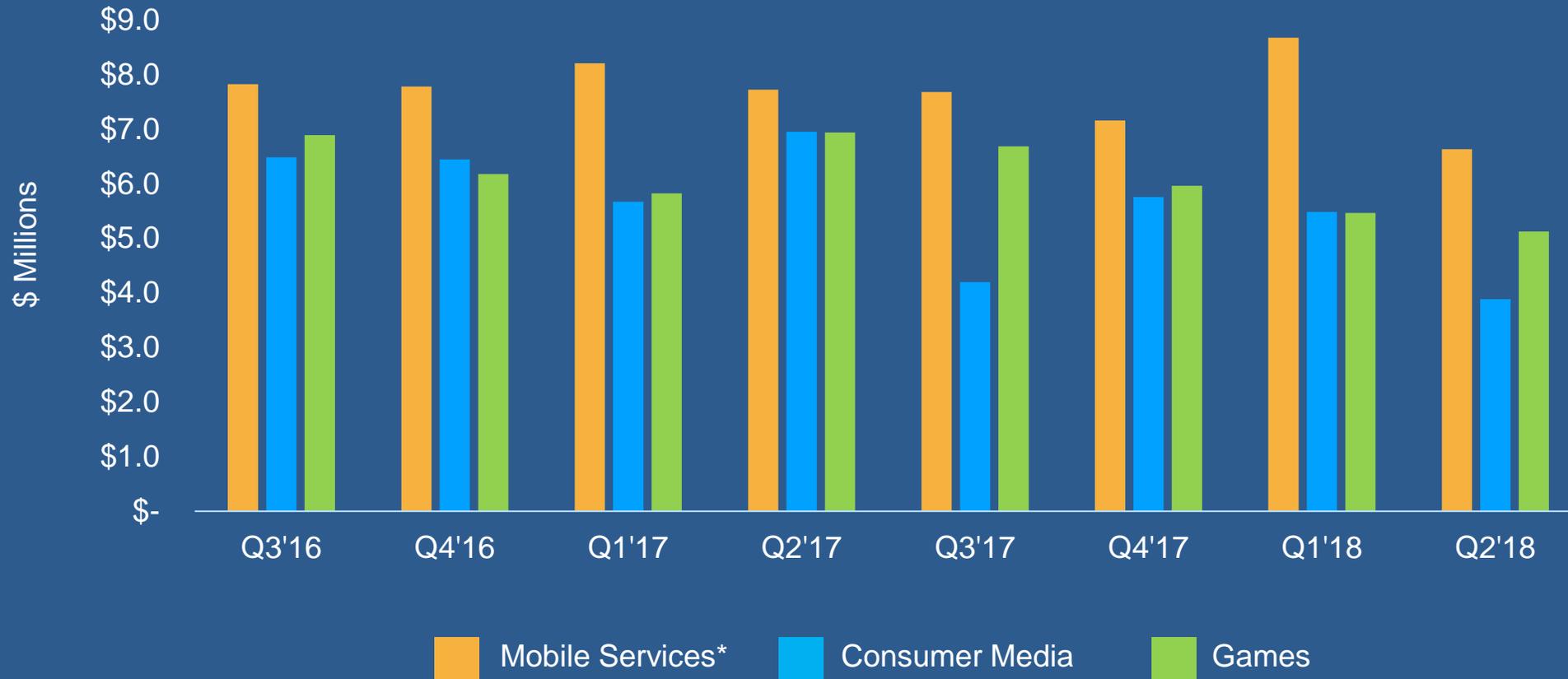
- 1H 2018 revenue of \$76.5 million
- 1H 2018 operating income of \$10.3 million
- Four consecutive quarters of positive operating income
- RealNetworks owns 42% stake
- Industry analysts forecast global music streaming growth through 2030
 - Subscribers: 185 million today to 850 million+ *
 - Revenue: \$6 billion today to \$20-\$25 billion per year*

*According to Goldman Sachs, GS Music in the Air Series (August 28, 2017)



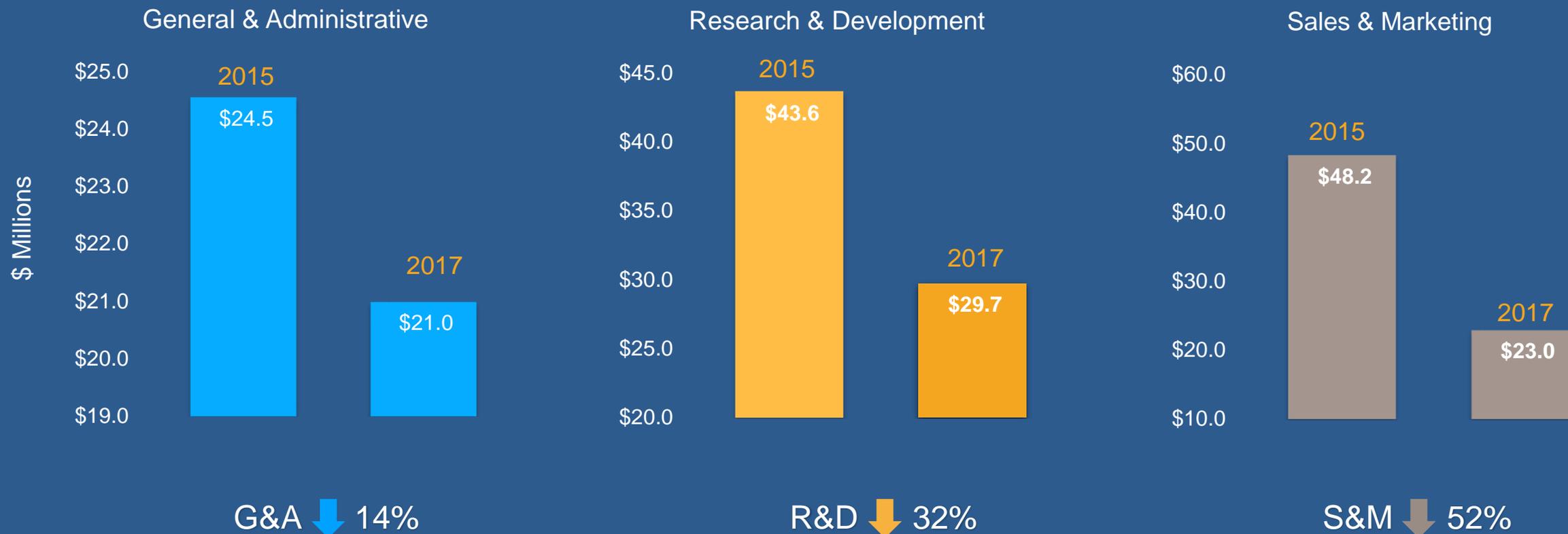
Record labels, publishers, and artists like the Napster model because it supports a vibrant, diverse ecosystem of platforms and distribution points

Quarterly revenue by business



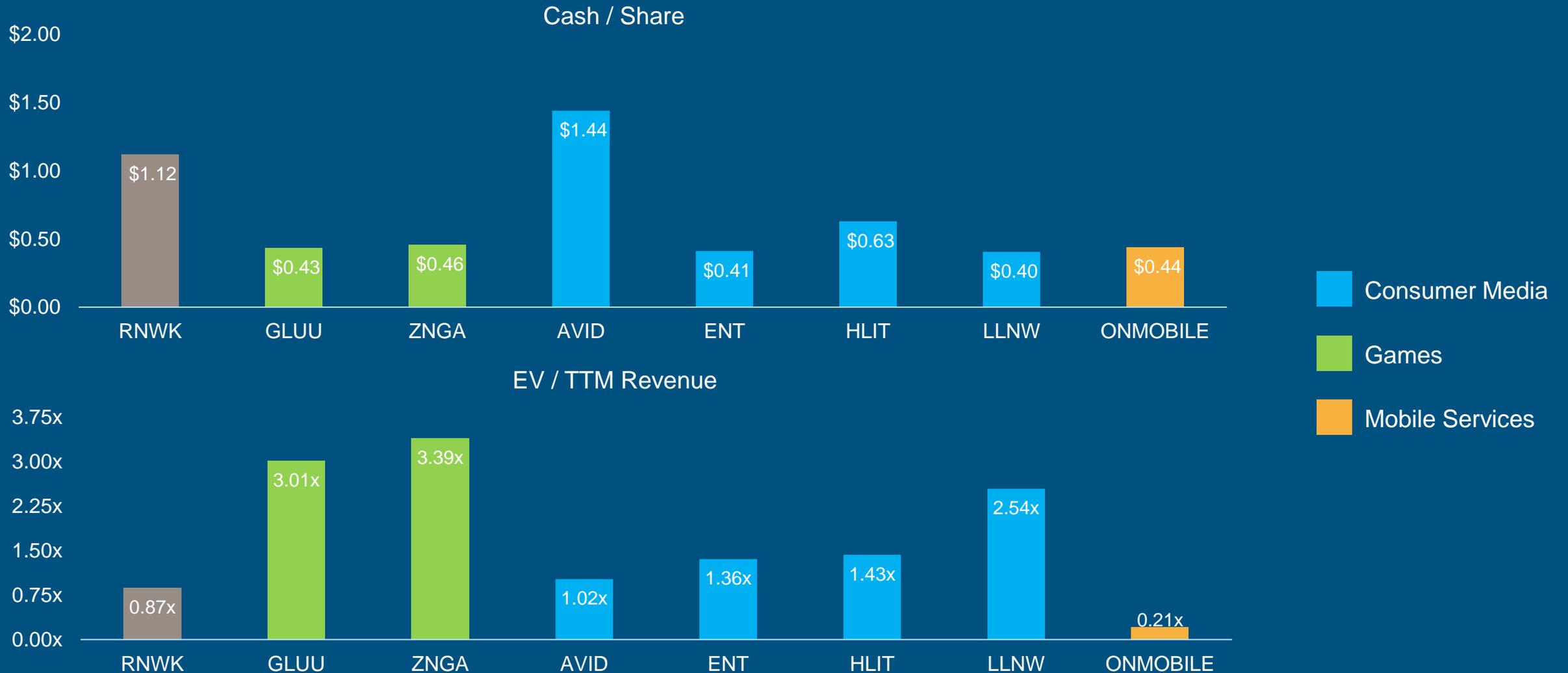
*Mobile Services revenue excludes revenue from a contract with our music-on-demand customer in Korea. The contract expired at the end of 2017 without further renewal. See Note 15 of Form 10-Q for the quarter-ended June 30, 2018 for further detail

Reducing operating expenses



Operating expenses excludes restructuring and other charges, as well as lease exit and related charges

Peer valuation analysis



All values based on most recent outstanding company financials and market data as of August 27, 2018

Equity snapshot | Nasdaq: RNWK

Share Price ⁽¹⁾ :	\$3.36
Shares Outstanding ⁽²⁾ :	37.6 M
Market Capitalization ⁽¹⁾ :	\$126 M
Net Debt ⁽³⁾ :	(\$42.1) M
Enterprise Value ⁽¹⁾ :	\$84 M

1. Values for Share Price, Market Capitalization and Enterprise Value are based off the closing share price on Nasdaq on August 27, 2018.
2. Shares Outstanding is the number of shares of RNWK Common Stock as of July 31, 2018, as reported on Form 10-Q for the Fiscal Quarter ended June 30, 2018.
3. Net Debt is third party debt of \$0 less the combined total of cash and cash equivalents of \$39.1M and short-term investments of \$3.1M, which is \$42.1M, for the Fiscal Quarter ended June 30, 2018.

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