



**Q1 FY 2023 Results**  
**30 MAY 2023**

## FORWARD-LOOKING STATEMENTS

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*These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.*

*Although forward-looking statements contained in this presentation are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.*

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# WHO WE ARE

## ESTABLISHED GLOBAL AAA/AA GAME DEVELOPER & PUBLISHER WITH POPULAR IP FRANCHISES

- World renowned FPS & RPG game studio, listed on the WSE main market
  - Self publishes original IPs on all major platforms (Steam, PlayStation, Xbox and Nintendo)
- Two major evergreen franchises with *Sniper Ghost Warrior (SGW)* and *Lords of the Fallen (LotF)*
  - Launching a 3rd owned IP in survival genre
- Publishing high quality original and 3rd party IPs through its WSE listed United Label subsidiary
- Growing strong back catalogue of unique and high-quality original IP with loyal fanbases

# HOW WE DO IT

## EXPERIENCED GLOBAL TEAM WITH DISTRIBUTED DEVELOPMENT & MARKETING

- Global footprint with 5 locations and a team of 139 highly qualified, best-in-class gaming professionals operating fully remotely
  - International development team led by seasoned management teams and globally experienced Board
  - Strong relationship with 3<sup>rd</sup> party outsourced teams for game development
  - Strategy confirmed by the success of the latest internally developed release, *SGWC 2*, which was 90% developed remotely

## QUALITY & EFFICIENCY

- We focus on increased quality and efficiency, no longer on low-cost development strategy
- Unified state of the art technology Unreal Engine 5 being used across all major projects

## SEASONED MANAGEMENT TEAM



**Marek Tymiński**  
Founder & CEO



**David Broderick**  
CFO



**Darren Newnham**  
CEO, United Label



**Kirsty Moore**  
HR Director



**Saul Gascon**  
Executive Producer (Hexworks)



**Aitor Rosa**  
Executive Producer (Underdog)



**Ryan Hill**  
Brand Director



**Mich Davis**  
Marketing Director



**Jon Tibble**  
VP, Global Sales



## PLATFORM FOR GROWTH



**20+**

Years of developing  
AAA/AA FPS & RPG  
Games

**3**

IPs

**16M+**

Copies sold  
(+ subscriptions players)

**5**

Main Locations –  
across Europe &  
America

**170+**

Headcount

**18**

Years avg. experience from  
management team and directors

## COMING OCT '23: LORDS OF THE FALLEN

## SOULSLIKE DARK FANTASY ACTION-RPG

- One of the **most anticipated** games for release in 2023 (console and PC)
- Strong appetite for **next big game** in Action RPG since release of Elden Ring in 2022
- In 2023 **Lords of The Fallen** releases
  - Strong market recognition of **Lords of the Fallen** (2014) in the Fantasy RPG genre
  - 10+ million players of the franchise
  - Full reboot** to widen audience appeal, **removing potential barrier to entry** for genre newcomers
- Developed by CI Games' internal studio **Hexworks**, using UE5 to deliver...
  - AAA production values** and advanced **combat** system
  - State of the art **Visuals and Gameplay**
  - Next gen console **performance** delivery
  - UE5 will deliver **new features** that will differentiate us from other games
- Strong global **marketing campaign**
  - Aug22 **Gamescom opening night live** announcement **trailer**
  - Already achieving **highly positive sentiment** and **solid performance indicators**
  - First Gameplay reveal** was late 2022 and release set for **13<sup>th</sup> Oct '23**

15<sup>th</sup>

Global Wishlist\*\*

4.4K

Press Articles\*  
755 focused

43.3M+

Trailer Views\*

1M+

Wishlists

845

Videos



# MODERNIZING IP

Significantly **widen commercial appeal**, while also addressing **key community feedback** received from the first entry



THEME	High Fantasy, Loosely Medieval Power Fantasy	Dark Fantasy, Immersive Epic Journey
COMBAT	Slow Combat, Spells	Faster Combat, Integrated Melee & Spells
SYSTEM	Preset Character Progression, Gear Collection, Gear upgrading	RPG Builds and Progression, Higher Replayability & Retention, Gear Collection, Gear Upgrading
WORLD	Linear, Horizontal	Over 5x Bigger, Semi-Linear, Vertically Interconnected, Diverse biomes
ONLINE	N/A	2 Player Coop, PVP
ACCESSIBILITY		



LORDS OF THE FALLEN



## EXPONENTIALLY GROWING GENRE

- Action RPG genre is a **huge market** with big hitters achieving 10+ million sales within first year of release
- Elden Ring is now one of the top 10 best selling games in US history\* achieving over 20+ million sales in its first year (released Feb 22)
- The **souls-like** subgenre is becoming **a leading, mainstream genre**
  - The 'souls-like combat' mechanic is becoming one of the most preferred gameplay systems, and being adopted by other, more mainstream genres
- There is an inflexion point titles need to pass to catalyse a **'halo effect'** and **become 'mainstream'**
  - Compelling thematic and expansive game world to explore
  - Genre and/or mechanic enhancement or innovation
  - Good level of challenge in combat
  - Strong lore / meta story
  - Effective marketing campaign (reach, spend)
- We **understand the audience** and create our games with them in mind

- Full **content lock** and **QA testing** progressing well
- **Utilising 3<sup>rd</sup> party** feedback/testing and support to **maximise commercial success** at launch
- Final **polishing and fixes** by the team throughout this process on schedule
- Executing against detailed **sales and marketing plan** from now up to release of game with **5-6 major beats**
- Wishlist's **performing strongly** reaching over **1m+** to date and 15<sup>th</sup> on Steam & 8<sup>th</sup> on EPIC
- Key **distribution partners** like **Plaion** and others signed or agreed
- Multi Sales channels approach
  - **Physical retailers** – already seeing high demand
  - **Digital stores** – have indicated game is a top priority and have committed support
  - **Preorders** – pleasing start but still very early (Majority for Deluxe and from N.America)
- Clear pricing strategy - AAA Status
  - **Full price** – on console and PC allowing for longer life cycle and maximising revenue per unit
  - **Deluxe Edition** – will cost more which will lead to higher conversion and maximise revenue per unit



**Q1 FY 2023 FINANCIAL REPORT**



## Q1 2023 FINANCIAL HIGHLIGHTS

Net Revenue  
**PLN 9.8m**

EBITDA  
**PLN 1.2m**

EBITDA Margin  
**12.3%**

Net Loss  
**PLN (0.5)m**

Net Debt Position  
**PLN 29.7m**

## Q1 INCOME STATEMENT

PLNm		
	Q1 '23	Q1 '22
Net revenue from sales	9.8	12.9
Operating profit/loss	(0.6)	4.2
EBIT margin (%)	(6.0)%	32.5%
EBITDA	1.2	6.3
EBITDA margin (%)	12.3%	48.6%
Profit/loss before tax	(0.8)	5.1
PBT margin (%)	(7.9)%	39.1%
Net profit /loss	(0.6)	4.1
Net profit /loss margin (%)	(5.5)%	31.9%
Earnings per share (PLN/share)	0.00	0.02

### KEY HIGHLIGHTS

- Q1 2023 net revenue totalled PLN 9.8m, with 53% generated by sales of SGWC 2. Games from United Label portfolio accounted for 15% of consolidated sales.
- The SG&A costs in Q1 2023 amounted to PLN 3.1m and increased by PLN 1.3m compared to Q1 2022. This was due to the growth of the sales & marketing team (by PLN 0.4m) and the marketing expenses related to upcoming release of *Lords of the Fallen* (PLN 0.8m).
- The growth in G&A costs (from PLN 2.4m in Q1 2022 to PLN 4.0m in Q1 2023) is the result of increase of recruitment costs, HR team, legal costs and other.
- Operating loss of PLN 0.6m in Q1 2023 compared to profit of PLN 4.2m in Q1 2022, followed the decline in sales (seasonality of sales connected with a calendar of new releases) and investment in the Group's expansion (teams, IT) at the same time.

## BALANCE SHEET & CASH FLOW

PLNm		
Balance Sheet	31 Mar 2021	31 Dec 2022
Cash and cash equivalents	7.9	6.6
Total assets	198.4	179.3
Own equity	142.1	142.2
Share capital	1.8	1.8
Debt (loans and finance lease)	37.6	22.6
Cashflow Statement	Q1 2023	Q1 2022
Net cash flows from operating activities	9.1	12.4
Net cash flows from investing activities	(22.9)	(15.7)
Net cash flows from financing activities	15.2	(0.1)
Total net cash flow	1.4	(3.3)

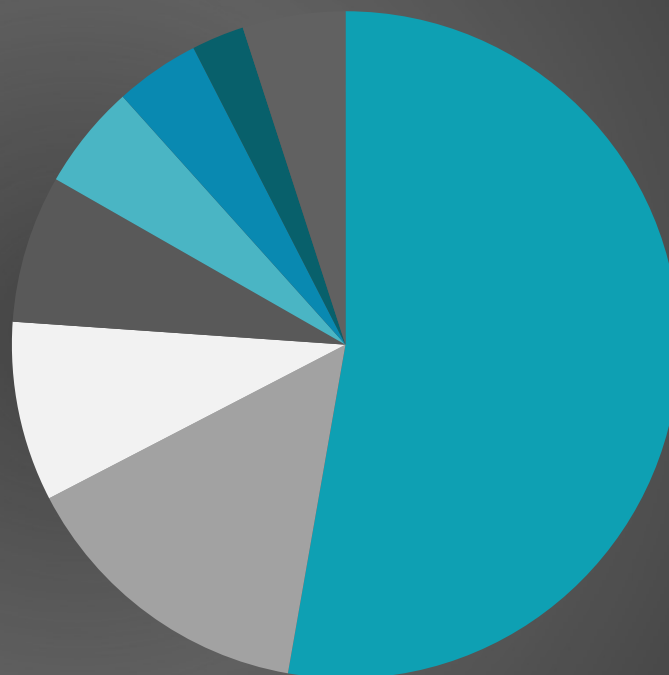
### KEY HIGHLIGHTS

- As of 31.03.23 total assets increased by 12% which was attributable to investment in the games.
- Intangible assets amounted to PLN 173.3m, (net increase by PLN 21.3m) which principally related to development projects currently in progress – *LotF*, *Project Survive* and *Project Scorpio*.
- The Group's debt in Q1 related to two bank's facilities (balance of PLN 34.2m) and finance liability related to an office rental (PLN 3.4m).
- In Q1 2023 net operating cash flow totalled PLN 9.1m, while net cash flow from investing activities was negative of PLN 22.9m, of which majority was related to development of *LotF 2*, *Survive* and *Scorpio*.
- Cash balance as of 31 Mar 2023 was PLN 7.9m.



## Net Revenue Q1 2023

- SGWC2 53%
- SGWC 15%
- SGW3 9%
- Tails of Iron 7%
- Eldest Souls 5%
- LotF 4%
- Roki 3%
- Other 5%





**Appendices**



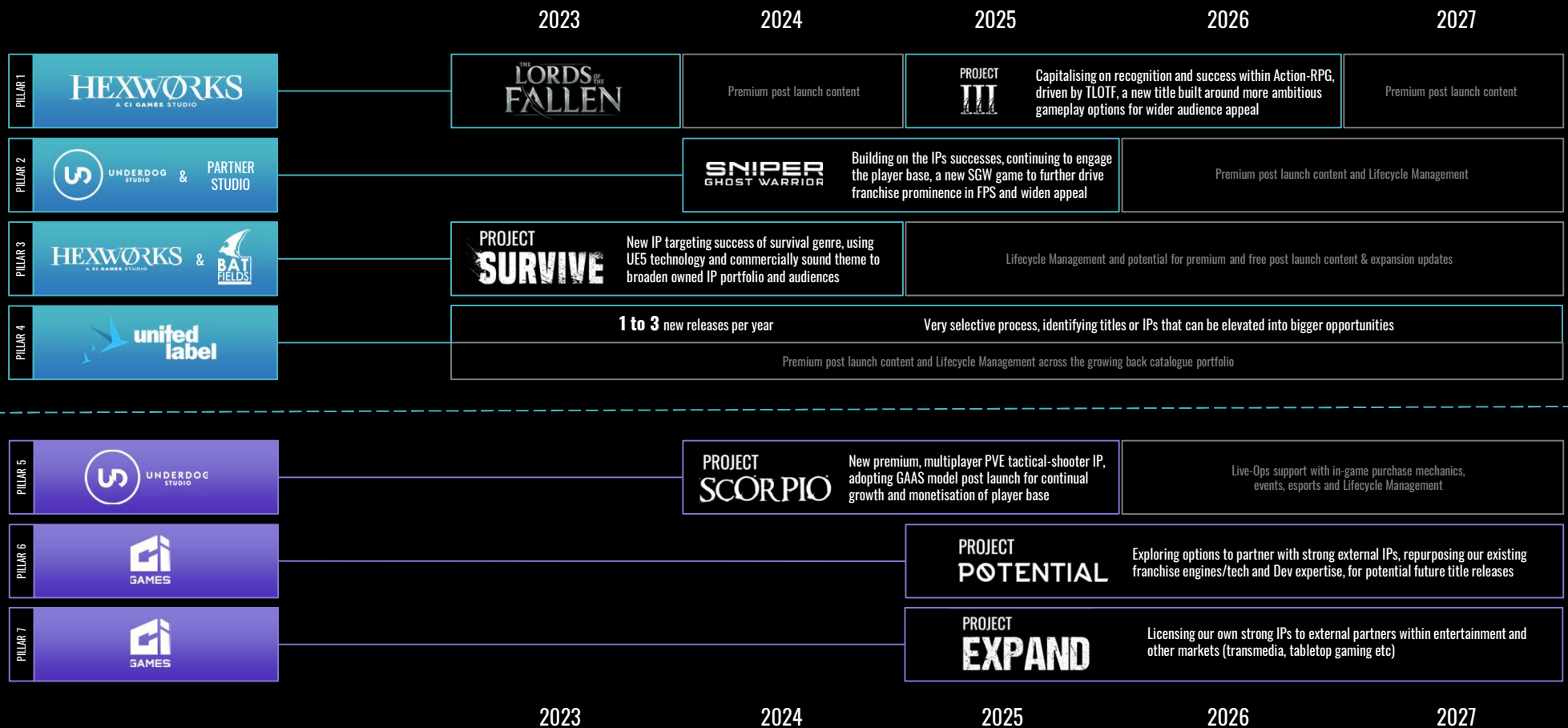
**GAMES**

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**1. STRATEGIC ROADMAP**



# STRATEGIC PILLARS & TIMELINE



COMPANY STRATEGY: A SOLID FOUNDATION, AN EVEN STRONGER FUTURE. EVER-GROWING BRANDS. CONTINUAL TEAM DEVELOPMENT. EXPONENTIAL FINANCIAL GROWTH.



## OUR LONGEST RUNNING EVERGREEN



### CONTINUING TO BROADEN APPEAL AND RAISE OUR GAME

- SGW franchise is the **best selling first person sniper** franchise
  - With 5 entries since 2011 and selling **13m+ worldwide** units
  - Continues to attract a strong, loyal and **ever-growing fan base**
- Sniper Ghost Warrior: Contracts 2, released June 2021, boosting the IP's strength
  - Achieving **strong critical acclaim**, surpassing previous achievement
  - Delivered **30% increase** in YR1 sales vs successful predecessor SGWC1
- Building on the success, **a new game is in development** to continue engaging our strong player base, **widen appeal** and drive **further prominence within FPS**
- New Development Studio partner
  - SGW new game to be further developed with external partner under the leadership of Underdog Studio



## NEW IP – *PROJECT SURVIVE*

### CAPITALISING ON A GROWING GENRE

- In the last decade, the **Survival renaissance** has been building in strength
  - **48% player growth\*** in last 18mths across key open world survival craft game set
  - Evergreen titles reaching **20+m player bases\*** – the lead achieving 50+m across all platforms
  - Stand out titles released in last 20mths achieving **2-5m units\*** in first Early Access month
- Being **developed within UE5** will enable Project Survive developer and creative teams to deliver
  - Top of the line systems and **state of the art graphics**
  - **New Gen real-time 3D content and experiences** with greater freedom, fidelity and flexibility
- Collaborating with external studio Batfields, our Creative, Technical and Project leaders are shaping a game that has:
  - **Commercially appealing theme** with **unique points of difference** for the genre
  - All the components we know will **appeal to a wide audience**
  - Concept and scope that strongly position us to **compete in the space** of The Forest franchise and Green Hell

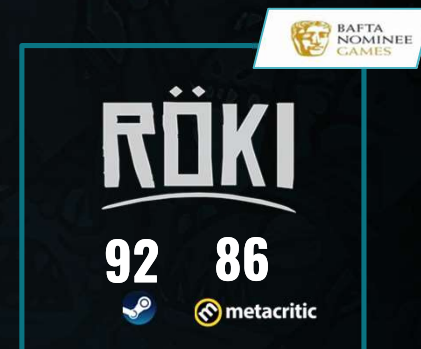


# THIRD PARTY IP PUBLISHING



## BRINGING NEW IP INTO OUR COMMERCIAL PORTFOLIO

- Founded in 2018 as a **third party publishing label** and publicly listed on WSE
  - **Part ownership** held by **CI Games**
- Leveraging the **CI Games infrastructure** to bring quality indie titles to **larger audiences**
- A reputation in the industry for identifying and nurturing talented development studios
- All three releases to date have **achieved commercial** and **critical success**
- United Label will continue to **identify strong IPs**
  - Releasing one-to-three high-quality titles per year
  - Managing and driving lifecycle of IPs in its growing back catalogue





## NEW IP – *PROJECT SCORPIO*

### TEAM OPTIMISED TO DELIVER NEW PREMIUM IP : CO-OP TACTICAL SHOOTER

- The development team at Underdog Studio has been **strengthened** over the last few months
  - Even more **key talent** and **expertise** to create **best-in-class shooters**
- The new IP will be a **premium multiplayer PVE tactical shooter**
  - Post launch it can adopt a GAAS model of live ops support e.g. in-game purchase, expansions and events

### LIVE OPS DRIVING INDUSTRY GROWTH

- Live Service games are considered the **most popular** and a **main driver of growth** within the industry, particularly for many AAA publishers
  - Many achieving **massive player bases** of 30-200m\* - Multiplayer tactical shooters performing well
- In-game purchase within PC and Console games represented **24%+ of total games revenue\*** in 2021
  - **81%** of PC revenues and **29%** of Console revenues - expected growth to **85%** and **32%** by end of 2024\*
- Sony increasing live service investment to **55%** by FY25, digital add-ons representing **43% of FY21 revenue\*\***

## NEW PILLAR PROJECT POTENTIAL

### IP DIVERSIFICATION WITH OUR EXPERTISE

- Many strong IP brands fit across different genres within gaming – or can cross over into gaming
- Potential to combine CI Games reputation in key genres with a strong external IP
  - Exploring options to partner with strong external IP
  - Re-purposing our existing franchise engines/tech
  - Maximising use of our development teams skill and expertise

## NEW PILLAR PROJECT EXPAND



### CAPITALISING FURTHER OUR STRONG FRANCHISES

- Licensing our own strong IPs to external partners
  - Other gaming formats including Mobile, VR
  - Transmedia including Film, TV
  - Other entertainment or products e.g. Table Top Gaming, Books







## 2. TEAM STRUCTURE

## UK & Ireland

David Broderick, CFO  
Jon Tibble, VP Global Sales  
Darren Newnham, CEO United Label  
Kirsty Moore, HR Director  
Ryan Hill, Marketing Director  
Rhys Twelves, Technical Director, SGW & LotF2  
Dean Scott, Senior Producer, United Label  
Richard Acherki Creative Director Hexworks



## UNITED STATES

Frank Chiechi, VP Sales, NA & LATAM  
Lisa Ashley, Finance Manager



## POLAND

Katarzyna Sermanowicz-Giza, Finance Director  
Małgorzata Sas Madej, Legal Counsel



## SPAIN

Saul Gascon, Executive Producer, LotF2  
Cezar Virtosu, Creative Director, LotF2  
Joan Piqué, Art Director, SGW



## FRANCE

Alexandre Chaudret, Art Director, LotF2



## AN INTERNATIONALLY DISTRIBUTED TEAM

Key management operates from multiple geographic locations resulting in further internationalization of the company



# INTERNATIONAL DEVELOPMENT STRUCTURE

Attracting international development talent



**Hexworks**

Internal team size: 84 people

	48	Spain
	7	Romania
	9	U.K.
	2	France
	18	Rest of the World



**Underdog Studio**

Internal team size: 37 people

	6	Spain
	5	U.K.
	26	Rest of the World



**CI Games & BatFields**



External Team & CI Key Talent

	U.K.
	Spain
	France
	Czech Republic



**United Label**

Internal team size: 3 people

	2	U.K.
	1	Poland

\* Two members of the LotF team also contribute to SGW (Technical Director and Lighting Director), data as of March 31, 2023

# SALES & MARKETING TEAM

Building a division with a global reach

## SALES

Team Size  
4 People

	2	U.K.
	1	U.S.
	1	Poland

## MARKETING

Team Size  
9 People

	8	U.K.
	1	Poland



## HEADCOUNT BY FUNCTION



As of March 31, 2023. \* Includes team of 9 dedicated to Quality Assurance, centralized for all development projects.



**THANK YOU**