



**GAMES**

H1 FY 2023 FINANCIAL REPORT



## FORWARD-LOOKING STATEMENTS

*Certain information set forth in this presentation contains “forward-looking information”, including “future-oriented financial information” and “financial outlook”, under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, the information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of the Company; (ii) completion of, and the use of proceeds from, the sale of the shares being offered hereunder; (iii) the expected development of the Company’s business, projects, and joint ventures; (iv) execution of the Company’s vision and growth strategy, including with respect to future M&A activity and global growth; (v) sources and availability of third-party financing for the Company’s projects; (vi) completion of the Company’s projects that are currently underway, in development or otherwise under consideration; (vi) renewal of the Company’s current customer, supplier and other material agreements; and (vii) future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.*

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## GLOBALLY RECOGNISED DEVELOPER & PUBLISHER

### FPS & RPG EXPERTISE

- Top rated AA+/AAA game developer and publisher on all major platforms (Steam, PlayStation, Xbox and Nintendo)
- World renowned FPS & RPG game studio, listed on the WSE main market

### POPULAR IP FRANCHISES

- Two major evergreen franchises combined 23+m units: Sniper Ghost Warrior (SGW) franchise & Lords of the Fallen
- Strong back catalog of unique and high-quality original IP with loyal fanbases
- Launching 3rd owned IP in survival genre
- Publishing high quality original and 3rd party IPs through its WSE listed United Label subsidiary

### EXPERIENCED GLOBAL TEAM

- Global footprint with 5 international locations and a team of 160+ highly qualified gaming professionals
- Strong relationship with 3rd party outsourced teams for game development

### STRONG HIGH MARGIN BUSINESS

- Strong historic EBITDA margin and Net Income margin performance





## 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 Roda**  
Executive Producer (Underdog)



**Ryan Hill**  
Brand Director



**Mich Davis**  
Marketing Director



**Jon Tibble**  
VP, Global Sales





- 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 13th Oct '23

12th

GLOBAL  
WISHLISTS

6.2k

PRESS  
ARTICLES

86.3m+

TRAILER  
VIEWS

1m+

WISHLISTS

2.1k

VIDEOS

## FUTURE SUCCESS

- Focused on increased quality and efficiency (AAA standards) with top talent and fully remote teams
- Unified state of the art technology Unreal Engine 5 being used across all major projects
- Leverage our expertise in marketing and self publishing original IPs on all major platforms (Steam, PlayStation, Xbox and Nintendo)
- 3<sup>rd</sup> Party IP publishing bringing new IP into our commercial portfolio
- Growing strong back catalogue of unique and high-quality original IP with loyal fanbases
- IP Diversification with our expertise
  - 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
- 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





# H1 INCOME STATEMENT

PLNm		
	H1 '23	H1 '22
Net revenue from sales	22.2	30.5
Operating profit/loss	(4.0)	11.0
<i>EBIT margin (%)</i>	<i>(18.0)%</i>	<i>36.1%</i>
EBITDA	0.2	15.3
<i>EBITDA margin (%)</i>	<i>0.9%</i>	<i>50.2%</i>
Profit/loss before tax	(3.4)	13.5
<i>PBT margin (%)</i>	<i>(15.4)%</i>	<i>44.4%</i>
Net profit /loss	(3.1)	13.3
<i>Net profit /loss margin (%)</i>	<i>(14.1)%</i>	<i>43.8%</i>
Earnings per share (PLN/share)	(0.02)	0.07

## KEY HIGHLIGHTS

- H1 2023 net revenue totalled PLN 22.2m, with 44% generated by sales of SGWC 2. Games from United Label portfolio accounted for 26% of consolidated sales.
- The SG&A costs in H1 2023 amounted to PLN 7.8m and increased by PLN 4m compared to H1 2022. This was due marketing expenses related to upcoming release of *Lords of the Fallen* (an increase by PLN 2.8m), growth of the sales & marketing team (by PLN 0.7m) and increase in amortization of the motivational plan (by PLN 0.7m).
- The growth in G&A costs (from PLN 7.5m in H1 2022 to PLN 8.8m in H1 2023) is the result of increase of recruitment costs, HR team, legal costs and an increase in amortization of the motivational plan.
- Operating loss of PLN (4.0)m in H1 2023 compared to profit of PLN 11.0m in H1 2022, followed decline in sales (seasonality of sales connected with a calendar of new releases), marketing costs related to release of *LotF* and investment in the Group's expansion (teams, IT) at the same time.

## BALANCE SHEET & CASH FLOW

PLNm		
Balance Sheet	30 June 2023	31 Dec 2022
Cash and cash equivalents	4.9	6.6
Total assets	220.6	179.3
Own equity	141.3	142.2
Share capital	1.8	1.8
Debt (loans and finance lease)	51.2	22.6
Cashflow Statement	H1 2023	H1 2022
Net cash flows from operating activities	17.6	3.3
Net cash flows from investing activities	(48.6)	(7.5)
Net cash flows from financing activities	29.2	(0.1)
Total net cash flow	(1.8)	(4.3)

### KEY HIGHLIGHTS

- As of 30.06.23 total assets increased by 23% which was attributable to investment in the games.
- Intangible assets amounted to PLN 197.1m, (net increase by PLN 45.1m) which principally related to development projects currently in progress – *LotF*, *Project Survive* and *Project Scorpio*.
- The Group's debt in H1 related to two bank's facilities (balance of PLN 48.2m) and finance liability related to an office rental (PLN 3.0m).
- In H1 2023 net operating cash flow totalled PLN 17.6m, while net cash flow from investing activities was negative of PLN 48.6m, of which majority was related to development of *LotF 2*, *Survive* and *Scorpio*. Financing cash flow of PLN 29.2m related to drawing of the bank loans.
- Cash balance as of 30 June 2023 was PLN 4.9m.





**G1**  
**GAMES**

**THANK YOU**