

CI GAMES

H1'24 Results, Strategy Update & Product Roadmap 2025-2028





Executive Summary

Strong financial position following H124 performance

- PLN 58.3m net revenue
- PLN 38.0m EBITDA
- EBITDA margin 65.1%
- Cash of PLN 11.4m



Strengthened our business

- New, Development Management and Support team
- SVP of Development to oversee production
- New, player-first, iterative development process
- Streamlined team



Developed a clear strategy to drive future sustainable returns

- Higher quality games
- More efficient processes
- Expanded addressable market
- Leveraging prior investments
- New major releases in 2026,27,28



H1 Results

H1 Performance | Executive Summary

▶ **Net Revenue up by 162%**

compared to 1H23 driven by Lords of the Fallen

▶ **EBITDA Up To PLN 38m**

at a margin of 65.1%

▶ **Net cash flow (PLN 18.8m)**

repayment of loans and continued investment in games

▶ **Repaid Loans**

Repaid two bank loans totalling PLN 30.5m & agreed to new bank overdraft of PLN 15.0m

▶ **Major Investment from Epic Games**

for PC exclusivity of Project III (next major LOTF instalment)

▶ **Restructuring Complete**

delivering significant savings while strengthening team

H1 Financials

PLN'000	6M 2024	6M 2023
Net revenues from sales	58,333	22,241
Gross profit on sales	17,081	13,592
Sales margin (%)	29.3%	61.1%
Selling costs	(5,464)	(7,840)
General and administrative costs	(8,635)	(8,832)
Net result on other activities and net impairment losses	147	(925)
Profit (loss) from operating activities	3,129	(4,005)
Operating margin (%)	5.4%	-18.0%
EBITDA	37,964	207
EBITDA (%)	65.1%	0.9%
Gross profit (loss)	2,819	(3,433)
Gross profit (%)	4.8%	-15.4%
Net profit (loss)	2,660	(3,145)
Net margin (%)	4.6%	-14.1%

- ▶ The growth in revenues in 1H2024 vs. 1H2023 relates to the release of Lords of the Fallen on 13.10.2023.
- ▶ Lords of the Fallen accounted for 72% in total 1H2024 revenues, while SGWC 2 share in revenues was 14%.
- ▶ Sales margin (29.3%) is mainly impacted by amortization of the new game.
- ▶ In 1H2024 selling costs were lower vs. 1H2023 as previous year period included higher marketing costs incurred before launching the new game.
- ▶ G&A costs showed a slight decrease compared to the comparable period of 2023 - they included costs of dismissal of the Board member (Feb. 2024) and the respective cost savings in the following months.
- ▶ EBITDA of PLN 38.0m at 65.1%
- ▶ Net profit of PLN 2.7 at 4.6% net margin

H1 Financials

- ▶ Decline in net value of non-current asset mainly due to amortization of Lords of the Fallen which netted investments into new projects and decline in deferred tax asset.
- ▶ Current assets declined following decrease in receivables and cash balances.
- ▶ Equity negatively impacted by correction of the previous year - net impact of PLN (6.9)m resulted from revenues overstatement by PLN 8.6m in CI Games USA in 2023 and offset by motivational plan of PLN 0.5m 2024.
- ▶ Long term portion of liabilities declined resulting from reduction in deferred tax liabilities (by PLN 6.4m).
- ▶ Current liabilities declined as the result of repayment of two overdraft facilities (PLN 30.9m) and repayment of marketing after release of the game.

PLN'000	As of 30.06.2024	As of 31.12.2023*
Non-current assets	179,476	188,678
Current assets	53,215	78,828
Total assets	232,691	267,506
Equity	156,734	152,790
Initial capital	1,829	1,829
Liabilities	75,957	114,716
Non-current liabilities	16,799	23,053
Current liabilities	59,158	91,663
Total equity and liabilities	232,691	267,506

* Transformed due to the correction of 2023



PLN'000	6M 2024	6M 2023
Net cash flows from operating activities	28,681	17,646
Net cash flows from investing activities	(30,610)	(48,608)
Net cash flows from financing activities	(16,917)	29,189
Net cash flows	(18,846)	(1,773)

H1 Financials

- ▶ In the first half of 2024 operating cash flow totalled PLN 28.7m and was due mainly to the conversion of trade receivables into cash, which were decreased by payment of trade liabilities (partially campaign marketing).
- ▶ In the first half of 2024, net cash flow from investing activities totalled PLN (30.6)m which related to development of "Project III" and "Survive".
- ▶ Net cash flow from financing activities amounted to PLN (17)m. This item consisted mainly of repayment of two bank overdraft facilities (PLN 30.9m) and finance lease liability, which were netted off by drawing a new bank facility of PLN 15.0m.



Strategy Update & Product Roadmap 2025-2028

CI GAMES | At a Glance

▶ **Top-Rated AAA/AA+**

Global developer and publisher on all major platforms (Steam, PlayStation, Xbox, Nintendo)

▶ **Established Track Record**

in fast growing RPG & FPS genres

▶ **Two Major Evergreen Franchises**

Lords of the Fallen & Sniper Ghost Warrior

▶ **Critically Acclaimed**

3 financially successful third-party IPs published by United Label Subsidiary

▶ **Cutting-Edge Unreal Engine 5**

used on all Key Projects

▶ **Experienced & Strengthened**

leadership team

▶ **Best-In-Class Talent**

drawing on talent globally (153 total employees, 108 devs)

▶ **Strong Historic EBITDA Margin**

and net income margin performance



Strategy for Future Sustainable Returns

1

A focused product roadmap

with major releases in each of the next 3 years

2

Player-first and efficient

new operating model

3

Finance in place

to deliver the strategy

1. Focused plan

Primary Focus on Core IPs

Project III

HEXWORKS > Full Production

- Next major instalment in LOTF franchise, built on UE5
- Major investment from Epic for PC exclusivity
- Increased appeal and accessibility to both existing and wider audiences
- Gameplay improvements; increased game mode optionality, more commercial art style and narrative, elevated production values
- Full 'shared-progression' co-op alongside core single player campaign
- To be announced in 2025 (TBC) with marketing campaign leveraging strong brand awareness following significant marketing spend for *Lords 23* & growing install base

Target Release 2026

Project SGW Evolved

 & Partner Studio > Pre - Production

- Next major iteration in SGW franchise, built on UE5
- Strong appeal to both core and wider audiences through combination of signature FPS gameplay elevated by survival genre elements
- Development expedited by repurposing extensive components from Project Survive and SGW Next, including ideation, research, assets, and systems

Target Release 2027

Project H

 > Pre-Production

- New major action-RPG IP within highly commercial fantasy genre
- Built on UE5 using systems and architecture from *Lords of the Fallen* and Project III
- Efficient pre-production with lean team, until late-2025
- Hexworks team begin off-ramp from Project III as Project H begins production ramp, maximising cross-studio talent allocation

Target Release 2028

1. Focused plan

Secondary Focus



➤ Aim to release 1-3 high quality titles per year

- Publishing two new titles over next six months:
 - Beyond Galaxyland (*released 24th Sep'24*)
 - Tails of Iron 2 (*targeting Feb'25*)
- New internal product selection process implemented in July '24 led by new Biz Dev Manager with support of Publishing, Commercial & Marketing
- Recently signed third entry in Tails of Iron series & new IP from Argentinian dev studio

Project Potential

➤ Ongoing

- Exploring options to partner with strong external IPs
- Repurposing existing franchise engines/tech and Dev expertise, for potential future title releases

Project Expand

➤ Ongoing

- Licensing own strong IPs to external partners within entertainment and other markets (transmedia, tabletop gaming etc) for both commercial gain and increased IP awareness.

Project Survive

- New survival genre IP, using UE5 technology and commercially sound theme to broaden owned IP portfolio and audiences

Project Scorpio

- New premium, multiplayer PVE tactical-shooter IP
- Live-Ops support with in-game purchase mechanics, events, esports and Lifecycle Management

➤ Rescheduled to a later date TBC

1. Near term focus

on leveraging previous investments

Building on strong foundations to expand market for existing IP and genre experience

Expanding Our Market

Lords of the Fallen (RPG) Sniper Ghost Warrior (FPS)

- Continue to build back catalogue
- Expand player base via further markdowns and subscriptions models
- Restore LOTF faith/sentiment with further improvements & free content updates
- Grow IPs through potential co-licensing partnerships

Project III Project SGW Evolved

- Drawing on Project Survive Development

- Concept, engine, architecture, assets

- Fanbase, community, audience reach

- Data & insights to inform development

- Increased buy-in from the platforms

- Reduced risk/time to pre-production

- Established outsourced partners

New Major Action-RPG IP

- With highly commercial fantasy thematic

- Broader appeal
- High quality

- Stronger relationships with platforms

Leveraging Existing IP & Genre Experience

1. Expand our **Addressable Market**

Using data-driven insight to improve appeal and audience accessibility

Unlock Audience Growth

Capabilities



- Established IP and loyal fanbase
- Existing architecture and assets
- Brand awareness and prior marketing investment

Opportunity



- Growing market; global players to reach 3.42B in 2024: +4.5% YOY driven primarily by PC (Newzoo)
- Resurgence of single player action/adventure fantasy games in 23/24; *Black Myth Wukong, Space Marines 2, Stellar Blade, Lies of P*
- Confidence reflected in recovery of industry investment; 2024 Q2's 222 investments is highest investment volume in nearly 2 years (DDM Agency)

Approach



- Embed player-centricity in development process through data-driven insight
- Drive wider appeal beyond existing audience through more accessible content; (art style, onboarding, narrative, gameplay)
- Consider co-op to drive wider appeal

2. Evolving our operating model

Following Lords of the Fallen launch experience

Maximise market appeal



- New senior-led, player-first development process
- Informed by consumer insights
- Robust external testing and validation throughout development
- Thematic and gameplay mechanics for wider addressable audience

Minimise barriers-to-entry



- Focus on quality over quantity
- Remove friction points (best-in-class onboarding, keyboard remapping etc.)

Optimise gamer experience
across hardware/stores



- Unreal Engine 5 now more mature
- Closer, earlier collaboration with partners (Epic, Nvidia, AMD)

Drive 80+ user reviews at launch



- Highly iterative development
- Innovation over revolution
- Pre-launch tech demos

Data-driven efficient marketing



- Extensive insight, learnings and global IP awareness
- Streamlined to deliver efficient, targeted marketing campaigns

2. New Operational Model

Senior oversight & player-first, iterative development

Development Management & Support Office



▶ **Product validation
and optimisation**

▶ **Driving greater quality,
efficiency and predictability**

▶ **Cross-studio sharing
and collaboration**

2. Drive greater efficiency

Simplified structure with Development Management



- New Development Management & Support Office led by SVP of Development, Tom O'Connor (Tencent, Sony), to oversee all areas of game production across all projects
- Studio heads now report to SVP of Development
- QA now reports to SVP of Development for improved parity with production

New talent sharing model



- New infrastructure facilitating cross-studio knowledge and talent sharing
- Talent reallocation model to help reduce project fatigue
- Restructuring to optimise talent pool, associated costs fully taken

Streamlined & smarter marketing



- Can significantly reduce Project III marketing budget, having achieved strong global IP awareness of Lords 23's with sizable marketing budget and successful brand activations
- IP to remain front-of-mind with future improvements & free content updates
- With extensive learnings from Lords 23, can run more efficient targeted campaigns in future, focusing on activations that can deliver significant impact.

2. Player-first development approach

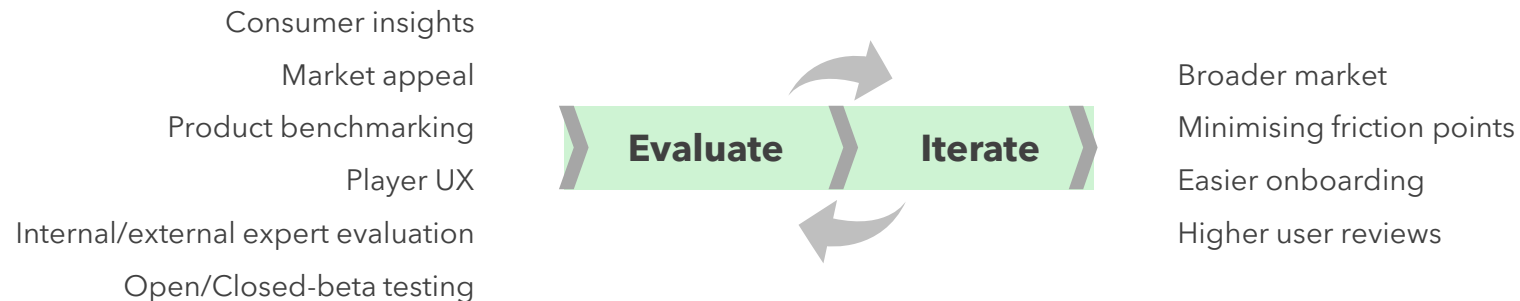
Producing successful games with an emphasis on quality & predictability

Oversight by SVP of Development and Development Management



These key gates signify major validation steps in the project development lifecycle. These are in addition to more regular development milestones.

Evaluation, validation and iteration occurs throughout production.



3. Finance Strategy

to deliver the roadmap

Lower costs to market...

- ▶ More efficient development; building on existing IP, concepts, architecture and engine
- ▶ Streamlined team, new operating model and talent sharing driving greater efficiency
- ▶ Lower marketing spends with targeted campaigns springboarding existing awareness

Financing for next **3 releases...**

- ▶ Operating cash flows
- ▶ Recent EPIC investment and exploring co-publishing partnerships, first party exclusives and territory distribution incentives
- ▶ Existing PLN 15.0m bank facility with plans to increase debt in order to finance future projects

A solid platform and refreshed strategy

- ▶ Experienced leadership and best-in-class talent
- ▶ Streamlined structure and more efficient operating model
- ▶ Core IP expansion and new IP development, to reach broader audiences
- ▶ Player-first development approach, increasing quality and predictability
- ▶ Smarter more targeted marketing to drive global brand awareness
- ▶ Data-driven insights to improve appeal and audience accessibility

To deliver **strong profitable growth**

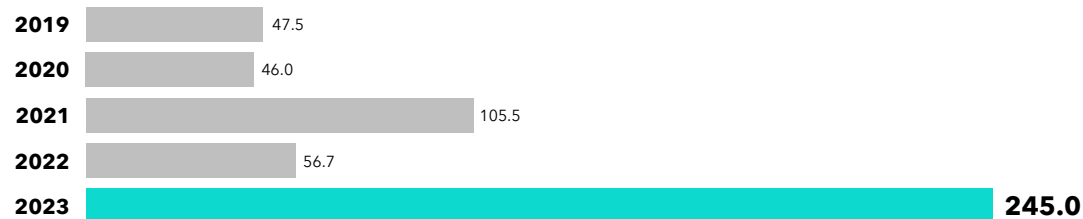


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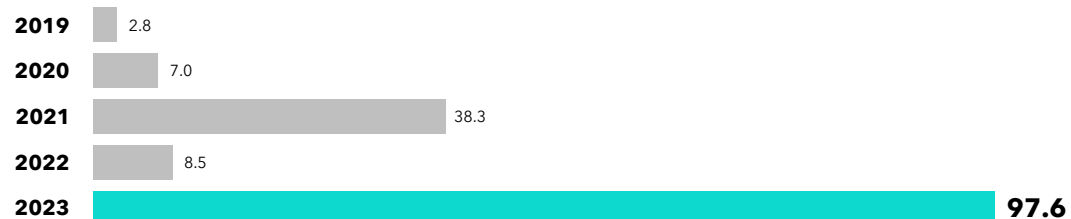
APPENDIX

Track Record of Growth

REVENUE: PLN 245.0M



EBITDA: PLN 97.6M



25M+

copies sold [all IPs]

6.5M+

total players across
Lords of the Fallen franchise

1.8x

ROI on Sniper Ghost
Warrior Contracts
(released Nov 19)*



3x

ROI on Sniper Ghost
Warrior Contracts 2
(released Jun 21)*

*earned revenues up to June'24 to total costs including production, marketing, box, not capitalised costs, engine

Seasoned Leadership Team



MAREK TYMINSKI
FOUNDER & CEO

Marek is the founder and CEO of CI Games and has been leading the company since its inception in 2002. Previously Marek held board and executive positions in electronic entertainment companies and launched his first enterprise in 1997. Marek is a graduate of the Management Program at the Canadian International Management Institute and the Management Development Program at the University of Virginia.



RYAN HILL
GLOBAL BRAND &
MARKETING DIRECTOR

Ryan has fifteen years brand and marketing experience across premium brands, fashion and gaming, including a senior role at Bossa Studios. Ryan joined CI Games as Global Brand and Marketing Director early 2021.



TOM O'CONNOR
SENIOR VP,
DEVELOPMENT

Tom O'Connor joined CI Games in 2024, following his most recent role as Senior Director of Production at Tencent Games. There, he played a pivotal role in the overall strategy and management of its Western game studios, and helped drive and empower their further growth. Prior to Tencent Games, Tom spent 15 years at PlayStation, where he managed a suite of development studios.



JON TIBBLE
VP, GLOBAL SALES

Jon has over 25 years' experience working within the gaming industry, including senior director level roles at Activision Vivendi, over ten years at Codemasters, & most recently Motorsport Network. Jon joined CI Games as VP Global Sales.



SAMANTHA BELL
CHIEF PEOPLE
OFFICER

Samantha Bell is a strategic HR leader with over 16 years' experience, and a Chartered member of the Chartered Institute of Personnel and Development. In 2020, she joined Sony Interactive Entertainment as HR Business Partner, before heading up the HR function at PlayStation's Firesprite studio. In February 2024, Bell joined CI Games as been Chief People Officer.



**KATARZYNA
SERMANOWICZ-
GIZA**
FINANCE DIRECTOR

Katarzyna manages the finance and accounting team at CI Games. Before joining CI Games, she worked in the transaction services team in Deloitte wherein she was advising private equity funds and strategic investors. Katarzyna is an ACCA fellow and graduate of Advanced Management Program of IESE Business School, Barcelona.

LORDS OF THE FALLEN

In Numbers [EOY 2023]

COMMERCIAL

TOP 10

Best-selling games across Europe in Oct '23

TOP 20

Best-selling games across US in Oct '23

1.3m+

Copies Sold

~47%

Deluxe Edition (\$79.99)

~45%

Of sales in North America

MARKETING

214M

Campaign Views

12.7K

Articles Generated

2.9M

Wishlists

10

Top 10 Global Steam Wishlists

1.3B

Paid Media Impressions

14M

Streaming Hours Watches

GAMEPLAY

63hrs

Completionist runs, 42+ Main & Side, 30+ Main

339

Armour Pieces

13

Player Classes (4 Secret)

30

Bosses (12 Major)

194

Weapons & Shields

3

Unique Endings

76

Spells & Catalysts