



## DEAR SHAREHOLDERS,

The past year marked the 20th anniversary of both People Can Fly and Game On, and we celebrated the 10th birthday of Incuvo (both studios joined our Group in 2021). These occasions prompted us to reflect on the road we have travelled and our corporate identity, allowing us to redefine the values around which we want to build People Can Fly's culture going forward:

- **Candor:** the freedom and honesty to communicate openly;
- **Accountability:** of our decisions, ideas, and commitments to deliver on our promises;
- **Teamwork:** we believe that collaboration is essential to leverage our shared passion and that a diversity of perspectives always makes us stronger;
- **Relentlessness:** the courage to challenge the status quo and implement unique ideas.

### IN 2022, WE DELIVERED A NUMBER OF SIGNIFICANT PROJECTS AND MADE PROGRESS ON OTHERS:

- In collaboration with the publisher Square Enix, we completed work on the *Outriders Worldslayer DLC*, released on June 30th 2022;
- We were engaged in continued efforts to develop the Group's game portfolio; our independent game development teams are working on a total of seven projects;
- We continued to expand our studios – we opened a new office in Kraków, Poland, and the size of our global team grew to more than 600;
- The entities we acquired in 2021 began to positively contribute to our consolidated profit – Incuvo successfully marketed *Green Hell VR* (a game nominated for Steam Awards), while Game On rendered its services for a number of prestigious projects, including *Gotham Knights* and *Call of Duty: Modern Warfare II*;
- We successfully migrated our projects from Unreal Engine 4 (UE4) to Unreal Engine 5 (UE5), discovering new capabilities of the technology that we first embraced more than 15 years ago;
- We were developing the *self-publishing* function;
- Finally, we enlarged the support departments in an effort to provide our Aviators with a unique, safe and innovative working environment based on hybrid work arrangements.

A great deal was achieved, but 2022, like any other year, was not all successes and good news stories.

After all, it began with the outbreak of the tragic war in Ukraine, which obviously shook up our whole community, as the Group's staff includes a large number of game developers from across Poland's eastern border. As PCF, we did our best to simply behave like decent human beings and to offer our colleagues and their families all the help we could.



The second half of 2022 brought an end to our cooperation on *Project Dagger* with the US-based publisher Take-Two Interactive. The event knocked us out of our comfort zone, providing a major spur for change within the organisation. Instead of thinking of M&A projects, we set our sights on organic growth and focused on building our own game development teams and projects, deploying *Centres of Excellence*, strengthening the publishing team, preparing a five-year budget for the Group, redefining the role of our support departments, and processes prioritising the satisfaction and retention of our Aviators.

The work culminated in an updated strategy for PCF Group S.A., which was announced this year. Just to remind you of our strategic pillars: we intend to strengthen our publishing business (under the *self-publishing* model), base our publishing portfolio on the *Game-as-a-Service* concept and diversify our game monetisation models (with a shift from *pay-to-play* to *free-to-play*). The delivery of our strategy in 2023–2027 should abruptly drive up our cumulative revenue in that period, to no less than PLN 3.0 billion.

In order to carry out our plans, though, we need to raise capital, and to that end we will issue new shares, as decided by the General Meeting's vote on February 28th 2023. To ensure the success of the issue, we have found a new partner – KRAFTON, one of South Korea's largest game developers and publishers, will be our new investor holding a 10% equity interest in PCF Group S.A. We expect to complete the capital raising process in the first half of 2023.

Summing up last year, we closed 2022 with revenue of more than PLN 171 million and EBITDA of PLN 48 million. This is solid performance despite the turbulence we experienced.

For 2023, we have a multitude plans to execute our updated strategy. We will apply ourselves to hard work with a view to advancing our projects, expanding our teams, and attracting more business partners. We look forward with great excitement to the release of

*Thunder*, our VR project that is being developed by Incuvo, based on IP from People Can Fly's portfolio. The market launch of *Thunder* will also be a baptism of fire for our publishing division, with a marketing campaign around the new title slated to begin soon.

I am grateful to all our Shareholders for their support, trust and constructive criticism. It's good to have you on board.

Best regards,

**Sebastian Wojciechowski**

PRESIDENT OF THE MANAGEMENT BOARD