CI GAMES
CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT
FOR Q3 2015

Warsaw, 16 November 2015

CONTENTS

CONSOLIDATED DATA FOR THE CI GAMES CAPITAL GROUP

Consolidated statement on the financial situation as at 30 September 2015

	ASSETS	30.09.2015	30.06.2015	31.12.2014	30.09.2014
		thousand PLN	thousand PLN	thousand PLN	thousand PLN
A.	**FIXED ASSETS**	**64 722**	**62 592**	**56 997**	**70 617**
	Tangible fixed assets	1 051	1 054	1 292	1 828
	Intangible assets	38 162	35 617	30 114	44 632
	Long–term investments	6	-	-	-
	Assets for the deferred income tax	25 502	25 922	25 590	24 157
B.	**CURRENT ASSETS**	**20 521**	**29 882**	**42 261**	**18 856**
	Inventory	2 893	3 367	2 963	3 270
	Short–term investments	-	-	2	19
	Advances granted	28	44	273	79
	Trade receivables	10 755	11 428	27 672	5 113
	Income tax receivables	286	69	-	-
	Cash and cash equivalents	4 686	13 141	9 509	8 463
	Other current assets	1 873	1 834	1 841	1 911
TOTAL ASSETS		**85 243**	**92 474**	**99 258**	**89 474**

Consolidated statement on the financial situation as at 30 September 2015 (Ctd.)

	LIABILITIES	30.09.2015	30.06.2015	31.12.2014	30.09.2014
		thousand PLN	thousand PLN	thousand PLN	thousand PLN
A.	**EQUITY**	**75 620**	**80 256**	**83 042**	**60 447**
	Share capital	1 391	1 391	1 391	1 391
	Share premium	15 530	15 530	15 530	15 530
	Kapitał z aktualizacji wyceny		-	-	-
	Exchange differences on translation of foreign operations	441	441	433	192
	Kapitał z tytułu programu motywacyjnego		-	-	-
	Reserve capital for the acquisition of shares	16 000	16 000	16 000	16 000
	Inwestycje netto w jednostkach działających za granicą		-	-	-
	Retained profits	42 259	46 894	49 688	27 335
	including the period profit	- 7 429	- 2 794	2 084	- 20 269
	Equity attributable to owners of the Parent	**75 620**	**80 256**	**83 042**	**60 447**
	Minority equity	**-**	**-**	**-**	**-**
B.	**LIABILITIES**	**9 622**	**12 218**	**16 216**	**29 027**
	Long-term liabilities	**3 525**	**3 868**	**4 468**	**2 647**
	Zobowiązania z tytułu kredytów, pożyczek oraz innych instrumentów dłużnych	-	-	-	-
	Provision for retirement and similar benefits	27	27	27	17
	Zobowiązania z tytułu leasingu finansowego	-	-	-	-
	Pozostałe rezerwy długoterminowe	-	-	-	-
	Provision for deferred income tax	3 498	3 841	4 441	2 630
	Przychody przyszłych okresów		-	-	-
	Short-term liabilities	**6 098**	**8 350**	**11 748**	**26 380**
	Borrowings including credits, loans and other debt instruments	-	-	11	10 713
	Liabilities for income tax	52	52	247	- 4
	Trade liabilities	4 153	6 205	9 541	6 423
	Financial lease liabilities	0	1	14	20
	Zobowiązania finansowe	-	-	-	-
	Other liabilities	67	274	461	417
	Other short-term provisions	1 826	1 818	1 474	1 825
	Deferred revenues	-	-	-	6 986
TOTAL LIABILITIES		**85 243**	**92 474**	**99 258**	**89 474**

	Book value (in thousand PLN)	**75 620**	**80 256**	**83 042**	**60 447**
	Number of shares (in thousands of pcs)	**13 914**	**13 914**	**13 914**	**13 914**
	Book value per share (in PLN)	**5,43**	**5,77**	**5,97**	**4,34**

Consolidated statement of comprehensive income for the period from 1 January 2015 to 30 September 2015

	za okres 01.01-30.09.2015	za okres 01.07-30.09.2015	za okres 01.01-30.09.2014	za okres 01.07-30.09.2014
	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Continuing operations				
Net trading receivables	**11 543**	**4 086**	**27 895**	**2 083**
Revenue from sale of products and services	11 045	3 842	27 889	2 088
Revenue from sale of goods and materials	497	244	6	-4
Costs of products, goods and services sold	**-10 283**	**-3 877**	**-37 368**	**-5 606**
Manufacturing cost of products sold	-9 946	-3 729	-37 361	-5 606
Value of goods and materials sold	-336	-148	-7	0
Gross profit / (loss) on sales	**1 260**	**209**	**-9 473**	**-3 523**
Other operating revenue	1 432	15	584	280
Sales cost	-5 536	-2 317	-6 478	-1 920
Overhead costs	-5 991	-2 457	-3 923	-1 256
Other operating costs	-510	-16	-1 062	-666
Profit / (Loss) on operating activities	**-9 346**	**-4 567**	**-20 352**	**-7 086**
Financial revenues	1 147	5	334	160
Financial expenses	-87	2	-360	45
Profit / (Loss) before tax	**-8 285**	**-4 560**	**-20 378**	**-6 882**
Income tax	855	-76	108	0
Profit / (Loss) on continuing operations	**-7 429**	**-4 635**	**-20 269**	**-6 882**
Discontinued operation	**0**	**0**	**0**	**0**
Loss from discontinued operations	**0**	**0**	**0**	**0**
NET PROFIT / (LOSS)	**-7 429**	**-4 635**	**-20 269**	**-6 882**
Net profit (loss) (in thousand PLN)	**-7 429**	**-4 635**	**-20 269**	**-6 882**
Number of shares (in thousand pcs)	**13 914**	**13 914**	**13 914**	**13 914**
Profit (loss) per one ordinary share (in PLN)	**-0,53**	**-0,33**	**-1,46**	**-0,49**

Total other comprehensive income	**8**	**-0**	**170**	**-5**
Exchange differences on translation of foreign operations	8	-0	170	-5
Total comprehensive income for the year	**-7 421**	**-4 636**	**-20 099**	**-6 887**
Total comprehensive income, attributable to:				
owners of the parent	-7 421	-4 636	-20 099	-6 887
minority shareholders	0	0	0	0

Consolidated statement of changes in equity for the period from 1 January 2015 to 30 September 2015

FOR 01.01- 30.09.2015	Share capital	Share premium	Reserve capital for buying own shares	Translation of foreign entities	Retained earnings	Total equity
AS AT 01.01.2015	**1 391**	**15 530**	**16 000**	**433**	**49 688**	**83 042**
Changes in accounting policy	-	-	-	-	-	-
AS AT 01.01.2015, AFTER TRANSLATION	**1 391**	**15 530**	**16 000**	**433**	**49 688**	**83 042**
CHANGES IN EQUITY						
Profits and losses in the period	-	-	-	-	- 7 429	- 7 429
Exchange differences on translation of foreign operations	-	-	-	8	-	8
AS AT 30.09.2015	**1 391**	**15 530**	**16 000**	**441**	**42 259**	**75 621**

FOR 01.07- 30.09.2015	Share capital	Share premium	Reserve capital for buying own shares	Translation of foreign entities	Retained earnings	Total equity
AS AT 01.07.2015	**1 391**	**15 530**	**16 000**	**441**	**46 894**	**80 257**
Changes in accounting policy	-	-	-	-	-	-
AS AT 01.07.2015, AFTER TRANSLATION	**1 391**	**15 530**	**16 000**	**441**	**46 894**	**80 257**
CHANGES IN EQUITY						
Profits and losses in the period	-	-	-	-	- 4 635	- 4 635
Exchange differences on translation of foreign operations	-	-	-		-	-
AS AT 30.09.2015	**1 391**	**15 530**	**16 000**	**441**	**42 259**	**75 621**

Consolidated statement of changes in equity for the period from 1 January 2014 to 30 September 2014 (ctd.)

FOR 01.01- 31.12.2014	Share capital	Share premium	Reserve capital for buying own shares	Translation of foreign entities	Retained earnings	Total equity
STAN NA 01.01.2014	**1 391**	**15 530**	**16 000**	**22**	**47 604**	**80 547**
Changes in accounting policy	-	-	-	-	-	-
AS AT 01.01.2014, AFTER TRANSLATION	**1 391**	**15 530**	**16 000**	**22**	**47 604**	**80 547**
CHANGES IN EQUITY						
Profits and losses in the period	-	-	-	-	2 084	2 084
Exchange differences on translation of foreign operations	-	-	-	411	-	411
AS AT 31.12.2014	**1 391**	**15 530**	**16 000**	**433**	**49 688**	**83 042**

FOR 01.01- 30.09.2014	Share capital	Share premium	Reserve capital for buying own shares	Translation of foreign entities	Retained earnings	Total equity
AS AT 01.01.2014	**1 391**	**15 530**	**16 000**	**22**	**47 604**	**80 547**
Changes in accounting policy	-	-	-	-	-	-
AS AT 01.01.2014, AFTER TRANSLATION	**1 391**	**15 530**	**16 000**	**22**	**47 604**	**80 547**
CHANGES IN EQUITY						
Profits and losses in the period	-	-	-	-	- 20 269	- 20 269
Exchange differences on translation of foreign operations	-	-	-	170	-	170
AS AT 30.09.2014	**1 391**	**15 530**	**16 000**	**192**	**27 335**	**60 448**

Consolidated cash flow statement for the period from 1 January 2015 to 30 September 2015

	za okres 01.01-30.09.2015	za okres 01.07-30.09.2015	za okres 01.01-30.09.2014	za okres 01.07-30.09.2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Gross profit (loss)	**-8 285**	**-4 560**	**-20 378**	**-6 882**
Total adjustments	**19 137**	**1 498**	**35 263**	**18 746**
Amortisation and depreciation	7 852	2 843	21 497	3 011
Impairment loss (reversal)	0	0	5	-104
Profit / (loss) on exchange differences	8	-1	39	39
Interest	11	0	93	-136
Commission on bonds	6	0	0	0
Profit / (loss) on sale of non-current assets	-27	0	-48	-48
Change in receivables	16 917	673	4 807	8 052
Change in inventory and prepayments	315	489	65	-292
Change in trade and other payables	-5 433	-2 250	-1 752	979
Change in employee benefit provisions and liabilities	0	0	309	325
Change in other current assets	-32	-39	153	-158
Tax paid	-480	-217	3 110	-15
Deferred revenues	0	0	6 985	6 985
Other adjustments	0	0	0	108
Net cash flows on operating activities	**10 854**	**-3 061**	**14 885**	**11 864**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment and intangible assets	35	0	48	48
Repayment of borrowings	2	0	0	0
Interest received	0	0	99	-75
Cash outflows on acquisition of property, plant and equipment and intangible assets	-200	-147	-540	-160
Outflows for financial assets	-	-	-	-
Research work expenses	-15 465	-5 240	-21 998	-6 878
Cash outflows on loans granted	-6	-6	0	0
Net cash from investing activities	**-15 634**	**-5 392**	**-22 390**	**-7 064**
CASH FLOWS FROM FINANCING ACTIVITIES				
Incurrence of borrowings	0	0	4 996	898
Other financial inflows (factoring)	0	0	4 815	404
Commission on bonds	-6	0	0	0
Loans granted	0	0	-26	-26
Repayment of finance lease liabilities	-14	-1	-18	-6
Interest	-11	0	-192	212
Cash outflows on repayment of credits and loans	-11	0	0	0
Other financial outflows (factoring)	0	0	-4 815	-4 815
Net cash from financing activities	**-42**	**-1**	**4 760**	**-3 333**
TOTAL NET CASH FLOWS	**-4 824**	**-8 455**	**-2 745**	**1 467**
FX DIFFERENCES FROM CASH	0	0	0	0
BALANCE SHEET CHANGES IN CASH AND CASH EQUIVALENTS	**-4 824**	**-8 455**	**-2 745**	**1 467**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**9 509**	**13 141**	**11 208**	**6 996**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4 686**	**4 686**	**8 463**	**8 463**

INDIVIDUAL FINANCIAL DATA - CI GAMES S.A.

Individual statement on the financial situation as at 30 September 2015

	ASSETS	30.09.2015	30.06.2015	31.12.2014	30.09.2014
		thousand PLN	thousand PLN	thousand PLN	thousand PLNł
A.	**FIXED ASSETS**	**68 788**	**66 640**	**61 010**	**74 751**
	Tangible fixed assets	1 051	1 054	1 285	1 409
	Intangible assets	37 523	34 976	29 473	44 732
	Interests in subsidiaries	4 597	4 597	4 597	4 602
	Long–term investments	114	91	64	-
	Deferred income tax assets	25 502	25 922	25 590	24 007
B.	**CURRENT ASSETS**	**16 350**	**24 257**	**37 753**	**15 949**
	Inventory	2 893	3 367	2 963	3 270
	Short–term investments	16	15	175	390
	Advances granted	-	-	186	60
	Trade receivables	8 866	8 143	24 257	3 766
	Income tax receivables	286	69	-	-
	Cash and cash equivalents	2 637	11 140	8 618	6 978
	Other current assets	1 652	1 523	1 555	1 485
TOTAL ASSETS		**85 138**	**90 897**	**98 763**	**90 699**

Individual statement on the financial situation as at 30 September 2015 (Ctd.)

	LIABILITIES	30.09.2015	30.06.2015	31.12.2014	30.09.2014
		thousand PLN	thousand PLN	thousand PLN	thousand PLN
A.	**EQUITY**	**72 431**	**76 971**	**80 415**	**58 827**
	Share capital	1 391	1 391	1 391	1 391
	Share premium	15 530	15 530	15 530	15 530
	Reserve capital for buying shares	16 000	16 000	16 000	16 000
	Retained earnings	39 510	44 050	47 494	25 906
	including the profit for the period	- 7 984	- 3 445	1 017	- 20 572
B.	**PAYABLES**	**12 707**	**13 927**	**18 348**	**31 872**
	Long–term payables	**3 525**	**3 868**	**4 467**	**2 647**
	Provision for retirement and similar benefits	27	27	27	17
	deferred income tax provision	3 498	3 841	4 441	2 630
	Short–term payables	**9 182**	**10 059**	**13 880**	**29 225**
	Borrowings including credits, loans and other debt instruments	-	-	11	10 713
	Trade payables	-	8 698	12 548	9 794
	Financial lease payables	-	1	14	20
	Financial payables	7 706	-	-	-
	Other payables	0	239	186	239
	Other short–term payables	1 335	1 121	1 121	1 474
	Deferred revenues	141	-	-	6 985
TOTAL LIABILITIES		**85 138**	**90 897**	**98 763**	**90 699**

	Book value (in thousand PLN)	**72 431**	**76 971**	**80 415**	**58 827**
	Number of shares (in thousand pcs)	**13 914**	**13 914**	**13 914**	**13 914**
	Book value per share (in PLN)	**5,21**	**5,53**	**5,78**	**4,23**

Individual statement of comprehensive income for the period from 1 January 2015 to 30 September 2015

	za okres 01.01-30.09.2015	za okres 01.07-30.09.2015	za okres 01.01-30.09.2014	za okres 01.07-30.09.2014
	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Continuing operations				
Net trading receivables	**8 024**	**2 698**	**25 952**	**1 196**
Revenue from sale of products and services	8 024	2 698	25 942	1 196
Revenue from sale of goods and materials	-	-	10	-
Costs of products, goods and services sold	**- 10 827**	**- 4 057**	**- 37 598**	**- 5 687**
Manufacturing cost of products sold	- 10 827	- 4 057	- 37 590	- 5 687
Value of goods and materials sold	-	-	- 7	-
Gross profit / (loss) on sales	**- 2 802**	**- 1 359**	**- 11 646**	**- 4 491**
Other operating revenue	823	15	499	277
Sales costs	- 3 579	- 1 885	- 5 080	- 1 574
Overhead costs	- 3 919	- 1 371	- 3 304	- 1 117
Other operating costs	- 500	- 17	- 1 134	- 663
Profit (loss) on operating activity	**- 9 978**	**- 4 618**	**- 20 665**	**- 7 569**
Financial revenue	1 221	153	323	155
Financial costs	- 84	- 0	- 354	43
Profit (loss) before tax	**- 8 840**	**- 4 465**	**- 20 695**	**- 7 371**
Income tax	855	- 76	124	-
Profit (loss) on continuing operations	**- 7 984**	**- 4 540**	**- 20 572**	**- 7 372**
Discontinued operation	-	-	-	-
Loss from discontinued operation	-	-	-	-
NET PROFIT (LOSS)	**- 7 984**	**- 4 540**	**- 20 572**	**- 7 372**
Net profit (loss) (in thousand PLN)	**-7 984**	**-4 540**	**-20 572**	**-7 372**
Number of shares (in thousand pcs)	**13 914**	**13 914**	**13 914**	**13 914**
Profit (loss) per one ordinary share (in PLN)	**-0,57**	**-0,33**	**-1,48**	**-0,53**

Total other comprehensive income	-	-	-	-
Total income for the year	**- 7 984**	**- 4 540**	**- 20 572**	**- 7 372**

Individual statement of changes in equity for the period from 1 January 2015 to 30 September 2015

FOR 01.01- 30.09.2015	Share capital	Share premium	Reserve capital for buying own shares	Translation of foreign entities	Retained earnings	Total equity
AS AT 01.01.2015	**1 391**	**15 530**	**16 000**	**-**	**47 495**	**80 416**
Changes in accounting policy	-	-	-	-	-	-
AS AT 01.01.2015, AFTER TRANSLATION	**1 391**	**15 530**	**16 000**	**-**	**47 495**	**80 416**
CHANGES IN EQUITY						
Profits and losses in the period	-	-	-		- 7 984	- 7 984
STAN NA 30.09.2015	**1 391**	**15 530**	**16 000**	**-**	**39 511**	**72 432**

FOR 01.07- 30.09.2015	Share capital	Share premium	Reserve capital for buying own shares	Translation of foreign entities	Retained earnings	Total equity
AS AT 01.07.2015	**1 391**	**15 530**	**16 000**	**-**	**44 050**	**76 971**
Changes in accounting policy	-	-	-	-	-	-
AS AT 01.07.2015, AFTER TRANSLATION	**1 391**	**15 530**	**16 000**	**-**	**44 050**	**76 971**
CHANGES IN EQUITY						
Profits and losses in the period					- 4 540	- 4 540
AS AT 30.09.2015	**1 391**	**15 530**	**16 000**	**-**	**39 511**	**72 432**

Individual statement of changes in equity for the period from 1 January 2014 to 30 September 2014 (ctd.)

FOR 01.01- 31.12.2014	Share capital	Share premium	Reserve capital for buying own shares	Translation of foreign entities	Retained earnings	Total equity
AS AT 01.01.2014	**1 391**	**15 530**	**16 000**	**-**	**46 478**	**79 399**
Changes in accounting policy	-	-	-	-	-	-
AS AT 01.01.2014, AFTER TRANSLATION	**1 391**	**15 530**	**16 000**	**-**	**46 478**	**79 399**
CHANGES IN EQUITY						
Profits and losses in the period	-	-	-	-	1 017	1 017
AS AT 31.12.2014	**1 391**	**15 530**	**16 000**	**-**	**47 495**	**80 416**

FOR 01.01- 30.09.2014	Share capital	Share premium	Reserve capital for buying own shares	Translation of foreign entities	Retained earnings	Total equity
AS AT 01.01.2014	**1 391**	**15 530**	**16 000**	**-**	**46 478**	**79 399**
Changes in accounting policy	-	-	-	-	-	-
AS AT 01.01.2014, AFTER TRANSLATION	**1 391**	**15 530**	**16 000**	**-**	**46 478**	**79 399**
CHANGES IN EQUITY						
Profits and losses in the period	-	-	-	-	- 20 572	- 20 572
AS AT 30.09.2014	**1 391**	**15 530**	**16 000**	**-**	**25 906**	**58 827**

Individual cash flow statement for the period from 1 January 2015 to 30 September 2015

	za okres 01.01-30.09.2015	za okres 01.07-30.09.2015	za okres 01.01-30.09.2014	za okres 01.07-30.09.2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Gross profit (loss)	**- 8 839**	**- 4 464**	**- 20 695**	**- 7 371**
Total adjustments	**18 435**	**1 365**	**35 177**	**17 931**
Amortisation and depreciation	7 851	2 843	21 344	2 975
Impairment loss (reversal)	-	-	-	- 103
Profit / (loss) on exchange differences	8	-	-	-
Interest	8	- 2	93	- 136
Commission on bonds	6	-	-	-
Profit / (loss) on sale of non-current assets	- 27	- 5	- 48	- 48
Change in receivables	15 392	- 723	4 568	8 210
Change in inventory and prepayments	256	474	65	- 251
Change in trade and other payables	- 4 675	- 876	- 1 449	499
Change in employee benefit provisions and liabilities	-	-	- 16	-
Change in other current assets	- 98	- 129	514	- 99
Tax paid	- 286	- 217	3 125	-
Deferred revenues	-	-	6 985	6 985
Other adjustments	-	-	- 3	- 100
Net cash flows on operating activities	**9 597**	**- 3 097**	**14 482**	**10 560**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment and intangible assets	35	11	48	48
Repayment of borrowings	167	-	-	-
Received interest	-	-	99	- 69
Cash outflows on acquisition of property, plant and equipment and intangible assets	- 200	- 147	- 540	- 161
Cash outflows on development works	- 15 473	- 5 247	- 21 790	- 6 670
Cash outflows on loans granted	- 64	- 21	-	-
Net cash from investing activities	**- 15 534**	**- 5 403**	**- 22 182**	**- 6 851**
CASH FLOWS FROM FINANCING ACTIVITIES				
Incurrence of borrowings	-	-	4 996	898
Other financial inflows (factoring)	-	-	4 815	404
Commission on bonds	- 6	-	-	-
Loans granted	-	-	- 26	- 26
Repayment of finance lease liabilities	- 14	- 1	- 18	- 8
Interest	- 11	-	- 192	204
Cash outflows on repayment of credits and loans	- 11	-	-	-
Other financial outflows (factoring)	-	-	- 4 815	- 4 815
Net cash fro financing activities	**- 42**	**- 1**	**4 760**	**- 3 341**
TOTAL NET CASH FLOWS	**- 5 980**	**- 8 503**	**- 2 940**	**368**
FX DIFFERENCES FOR CASH	-	-	-	-
BALANCE SHEET CHANGES IN CASH AND CASH EQUIVALENTS	**- 5 980**	**- 8 503**	**- 2 940**	**368**
CASH AND CASH EQUIVALENTS AS AT THE PERIOD BEGINNING	**8 618**	**11 140**	**9 918**	**6 610**
CASH AND CASH EQUIVALENTS AS AT THE PERIOD ENDING	**2 637**	**2 637**	**6 978**	**6 978**

FINANCIAL HIGHLIGHTS

Selected consolidated and separate financial information contained in this report was translated into EUR according to the following principles.

Balance sheet data was translated using the average exchange rate published by the National Bank of Poland as at the end of the reporting period:

- as at 9/30/2014 – 4.1755
- as at 9/30/2015 – 4.2386
- as at 12/31/2014 – 4.2623

Items in the statement of profit and loss and statement of cash flows according to the average exchange rate calculated as the arithmetical average of exchange rates announced by the National Bank of Poland as at the last day of the month in a given period.

- for Q3 2014 – 4.1841
- for three quarters 2014 – 4.1803
- for Q3 2015 – 4.2073
- for three quarters 2015 – 4.1585

Selected financial data - consolidated

CONSOLIDATED PROFIT AND LOSS ACCOUNT	Q3 2015		Q3 2014	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net revenue from sales	**4 086**	**971**	**2 083**	**498**
Profit (loss) on operating activities	-4 567	-1 085	-7 086	-1 694
Gross profit (loss)	-4 560	-1 084	-6 882	-1 645
Net profit (loss)	**-4 635**	**-1 102**	**-6 882**	**-1 645**
Number of shares (in thousand pcs)	13 914	13 914	13 914	13 914
Profit (loss) per one ordinary share (PLN/pc)	-0,33	-0,08	-0,49	-0,12

CONSOLIDATED PROFIT AND LOSS ACCOUNT	three quarters 2015 Cumulatively		three quarters 2014 Cumulatively	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net revenue from sales	**11 543**	**2 776**	**27 895**	**6 673**
Profit (loss) on operating activities	-9 346	-2 247	-20 352	-4 869
Gross profit (loss)	-8 285	-1 992	-20 378	-4 875
Net profit (loss)	**-7 429**	**-1 786**	**-20 269**	**-4 849**
Number of shares (in thousand pcs)	13 914	13 914	13 914	13 914
Profit (loss) per one ordinary share (PLN/pc)	-0,53	-0,13	-1,46	-0,35

CONSOLIDATED CASH FLOW STATEMENT	Q3 2015		Q3 2014	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net cash flows on operating activities	-3 061	-727	11 864	2 835
Net cash flows on investing activities	-5 392	-1 282	-7 064	-1 688
Net cash flows on financing activities	-1	0	-3 333	-797
Net cash flows	**-8 454**	**-2 009**	**1 467**	**351**

CONSOLIDATED CASH FLOW STATEMENT	three quarters 2015 Cumulatively		three quarters 2014 Cumulatively	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net cash flows on operating activities	10 854	2 610	14 885	3 561
Net cash flows on investing activities	-15 634	-3 760	-22 390	-5 356
Net cash flows on financing activities	-42	-10	4 760	1 139
Net cash flows	**-4 823**	**-1 160**	**-2 745**	**-657**

CONSOLIDATED BALANCE SHEET	30.09.2015		30.09.2014		31.12.2014	
	thousand PLN	thousand EUR	thousand PLN	'thousand EUR	thousand PLN	thousand EUR
Fixed assets	64 722	15 270	70 617	16 912	56 997	13 372
Current assets	20 521	4 841	18 856	4 516	42 261	9 915
Total assets	**85 243**	**20 111**	**89 474**	**21 428**	**99 258**	**23 287**
Equity	**75 620**	**17 841**	**60 447**	**14 477**	**83 042**	**19 483**
Initial capital	*1 391*	*328*	*1 391*	*333*	*1 391*	*326*
Liabilities	**9 622**	**2 270**	**29 027**	**6 952**	**16 216**	**3 804**
Long–term liabilities	3 525	832	2 647	634	4 468	1 048
Short–term liabilities	6 098	1 439	26 380	6 318	11 748	2 756
Total liabilities	**85 243**	**20 111**	**89 474**	**21 428**	**99 258**	**23 287**

Selected financial data - individual

INDIVIDUAL PROFIT AND LOSS ACCOUNT	Q3 2015		Q3 2014	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net revenues on sales	**2 698**	**641**	**1 196**	**286**
Profit (loss) on operating activity	-4 618	-1 098	-7 569	-1 809
Gross profit (loss)	-4 465	-1 061	-7 371	-1 762
Net profit (loss)	**-4 540**	**-1 079**	**-7 372**	**-1 762**
Number of shares in (thousand PLN)	13 914	13 914	13 914	13 914
Profit (loss) per one ordinary share (PLN/pc)	-0,33	-0,08	-0,53	-0,13

INDIVIDUAL PROFIT AND LOSS ACCOUNT	3 quarters 2015 CUMULATIVELY		3 quarters 2014 CUMULATIVELY	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net revenues on sales	**8 024**	**1 930**	**25 952**	**6 208**
Profit (loss) on operating activity	-9 978	-2 399	-20 665	-4 943
Net profit (loss)	-8 840	-2 126	-20 695	-4 951
Net profit (loss)	**-7 984**	**-1 920**	**-20 572**	**-4 921**
Number of shares in (thousand PLN)	13 914	13 914	13 914	13 914
Profit (loss) per one ordinary share (PLN/pc)	-0,57	-0,14	-1,48	-0,35
INDIVIDUAL PROFIT AND LOSS ACCOUNT	Q3 2015		Q3 2014	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net cash flows from operating activity	-3 097	-736	10 560	2 524
Net cash flows from investing activity	-5 403	-1 284	-6 851	-1 637
Net cash flows from financing activity	-1	0	-3 341	-798
Net cash flows	**-8 502**	**-2 021**	**368**	**88**

INDIVIDUAL PROFIT AND LOSS ACCOUNT	3 quarters 2015 CUMULATIVELY		3 quarters 2014 CUMULATIVELY	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net cash flows from operating activity	9 597	2 308	14 482	3 464
Net cash flows from investing activity	-15 534	-3 736	-22 182	-5 306
Net cash flows from financing activity	-42	-10	4 760	1 139
Net cash flows	**-5 979**	**-1 438**	**-2 940**	**-703**

INDIVIDUAL BALANCE SHEET	30.09.2015		30.09.2014		31.12.2014	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Fixed assets	68 788	16 229	74 751	17 902	61 010	14 314
Current assets	16 350	3 857	15 949	3 820	37 753	8 858
Total assets	**85 138**	**20 086**	**90 699**	**21 722**	**98 763**	**23 171**
Equity	**72 431**	**17 088**	**58 827**	**14 089**	**80 415**	**18 867**
Initial capital	*1 391*	*328*	*1 391*	*333*	*1 391*	*326*
Liabilities	**3 525**	**832**	**31 872**	**7 633**	**18 348**	**4 305**
Long–term liabilities	3 525	832	2 647	634	4 467	1 048
Short–term liabilities	9 182	2 166	29 225	6 999	13 880	3 256
Total liabilities	**85 138**	**20 086**	**90 699**	**21 722**	**98 763**	**23 171**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1 TO 9/30/2015

Basis for presentation and preparation of the financial statements

a) The financial statements cover the period from January 1 to 9/30/2015. The comparative data cover the period from 01.01.2014 to 30.09.2014 and from 01.01.2014 to 31.12.2014 as well as the balance sheet as at 30.09.2014, 30.06.2015 and 31.12.2014.

b) The financial statements were drawn up in accordance with International Accounting Standards and International Financial Reporting Standards (IAS/IFRS).

c) The financial statements were drawn up on the assumption that the business will continue as a going concern in the foreseeable future and that no events will occur posing a threat to its status as a going concern.

Adopted accounting principles

a) Application of International Accounting Standards

The financial statements are drawn up in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the European Union (EU) and interpretations adopted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) applicable in the business conducted by the Company and binding in annual reporting periods commencing January 1, 2007, together with the requirements of the Ordinance of the Minister of Finance of February 19, 2009 concerning current and periodical information provided by Issuers of securities and the terms and conditions for information required by the provisions of law of a non-member state being recognized as equivalent (Polish Journal of Laws no. 33, item 259).

The financial statements for the period from January 1 to 9/30/2015 are subsequent financial statements prepared in accordance with IAS/IFRS. Comparative data is sourced from the financial statements prepared in accordance with IAS/IFRS. IAS/IFRS were adopted on 1/1/2007.

b) Basis for preparing the consolidated financial statements

Figures in the consolidated financial statements are given in thousands Polish zlotys, which is the presentation currency and functional currency. The consolidated financial statements were drawn up on historical cost basis. Preparation of consolidated financial statements in accordance with IAS/IFRS requires that the Management Board provide professional judgments, estimates and assumptions which have an impact on the adopted principles and the value of assets, liabilities, revenues and costs presented. Estimates and associated assumptions are based on previous experience and other factors which are acknowledged as reasonable in given circumstances and their results provide a basis for professional judgment concerning the carrying amount of assets and liabilities which does not directly result from their sources. Actual values may differ from estimates.

Estimates and associated assumptions are subject to systematic verification. Changes in assumptions are recognized in the period in which they were made.

The principles of the accounting policy presented below were applied in relation to all periods presented in the submitted consolidated financial statements as well as in drawing up an opening balance sheet in accordance with IAS/IFRS as at January 1, 2007 for the purposes of implementing the transition from Polish accounting standards to IAS/IFRS-compliant reporting.

c) Principles of consolidation

(i) Subsidiaries

The CI Games Capital Group consolidated financial statements were drawn up applying the acquisition method as the means of settlement adopted on the date of the share purchase transaction (fully consolidated). In drawing up the financial statements, the parent combines the financial statements of the parent and subsidiaries through summing up individual assets, liabilities, shares in equity, revenues and costs.

In order to ensure appropriate presentation of financial information concerning the Capital Group in the consolidated financial statements as if it constituted a single commercial entity, only the carrying amount of the parent's investments in subsidiaries and such part of the subsidiary's equity as corresponds to the parent's share is presented.

The method applied for translation of the financial statements of foreign entities depends on the means by which they are financed and the type of business activity conducted in relation to the entity drawing up the financial statements. For this reason, in accordance with IAS 21, entities operating abroad are broken down into: "entities operating abroad, whose operations constitute an integral part of the operations of the entity drawing up the financial statements" and "foreign operations."

For conversion of the financial statements of subsidiaries operating abroad, the aforementioned entities have been classified as "foreign operations" in accordance with IAS 21. After converting the financial statements of foreign entities, in order for these to be included in the financial statements of the entity drawing up the financial statements, the following principles were applied:

- assets and liabilities, both monetary and non-monetary, were translated at the closing rate.
- revenue and cost items of foreign operations were translated at the exchange rate as at the date of executing transactions, with the exception of situations where the foreign operation is drawing up reports in hyper-inflationary economic conditions. In this situation items would be converted at the closing rate.
- all exchange rate differences are recognized in equity until disposal of the net investment.

The financial results of entities acquired or disposed of during the year are recognized in the consolidated financial statements from/to the moment of their acquisition or disposal, respectively, if this constitutes significant value for the presented financial statements.

Where necessary, adjustments are made in the financial statements of subsidiaries or associates in order to unify the accounting principles applied by the entity with the principles applied by the parent. All transactions, balances, revenues and costs between related parties covered by consolidation are subject to exclusion.

(ii) Associates, joint ventures

Associates are business entities where the Company exerts significant influence, although does not control their operational and financial policies.

The Company's joint ventures are entities where the Company exercises joint control over their operations pursuant to contractual arrangements.

The consolidated financial statements contain the Group's share of the profits and losses of associates / joint ventures using the equity method, from the moment of acquiring significant influence / joint control until the expiry of such influence/control. The Group also measures the loss in value of shares in the net assets of associates / joint ventures and makes the appropriate revaluation decreases. In the event of the Group's participation in losses exceeding the carrying amount of the associate / joint venture, such amount is reduced to zero and ceases to be recognized in further losses in as far as there is no legal obligation to cover losses or payment had not already been made to cover such liabilities.

Goodwill arising during consolidation results from the occurrence as at the acquisition date of a surplus of the cost of acquiring the entity over the fair value of identifiable assets and liabilities of the subsidiary, associate or joint venture as at the acquisition date.

Goodwill acquired through a merger of commercial entities is not amortized. Goodwill is subject to impairment testing at least once per year. Any impairment is immediately recognized in the profit and loss statement. In disposal of a subsidiary, associate or joint venture, the appropriate part of goodwill is taken into consideration in calculating the profit or loss on disposal.

(iii) Consolidation adjustments

The balance of internal settlements between Group entities, transactions executed within the Group and all unrealized profits or losses resulting thereunder, together with Group revenues and costs, are excluded during the preparation of the consolidated financial statements. Unrealized profits resulting from transactions with associates and joint ventures are excluded from the consolidated financial statements proportionally to the level of the Group's participation in such entities. Unrealized losses are excluded from the consolidated financial statements on the same principles as profits, until the moment when evidence indicating impairment arises.

d) Property, plant and equipment

(i) Own property, plant and equipment

Property, plant and equipment are fixed assets which are retained to be used in the production process or in supplying goods and providing services, in order for them to be handed over to other entities for use pursuant to a rental agreement and where there is expectation that they will not be used for longer than one period.

Costs borne at a later time are included in the carrying amount of an asset or are indicated as a separate asset only if it is probable that the Group will achieve future economic benefit connected with such asset and the purchase price for a given item may be measured reliably. Expenses for repair and maintenance are recognized in the profit and loss statement in the period in which they were borne. The cost of production is augmented by fees and for defined assets by the costs of external finance capitalized in accordance with the principles defined in the Group's accounting policy.

Property, plant and equipment is measured at purchase price or manufacture cost less depreciation and impairment at the end of the reporting period.

Depreciation concerning such fixed assets commences at the moment they are commissioned. Each new fixed asset must, in as far as possible, be broken down into separate components, with the depreciation method specified.

Fixed assets under construction intended for production, lease or administrative purposes, as well as for undefined purposes, are presented in the balance sheet at cost of manufacture less impairment.

Profit or loss arising from disposal/liquidation or suspension of the use of fixed assets is defined as the difference between revenues from disposal and the net value of such fixed assets and are included in the profit and loss statement.

Land – the right of perpetual usufruct of plots of land is presented at purchase price.

The Group does not amortize rights to perpetual usufruct of land. Depreciation rates have been established with consideration to the period of economic usefulness of fixed assets.

Property, plant and equipment is depreciated using the straight-line method with the following rates:

- technical equipment and machinery: 20-60%
- other fixed assets: 20%

(ii) Property, plant and equipment used pursuant to lease agreements

Leases are classified as finance leases if in principle the terms and conditions of the agreement transfer all potential ownership of benefits and risk to the lessee. All other types of leases are treated as operating leases.

Assets used pursuant to a finance lease agreement are treated as the Group's assets and are measured at fair value as of the moment of their acquisition, although at a level not exceeding the value of their current minimum lease payments.

Liability towards the lessor arising on this account is presented in the balance sheet under finance lease liabilities.

Lease payments are divided into interest and principal. Financial costs are recognized in the profit and loss statement.

(iii) Subsequent expenses

Costs aimed at exchange of separate components of an element of property, plant and equipment borne in a subsequent period are capitalized. Other costs are capitalized only if they can reliably be measured and increase future economic benefits connected with a fixed asset. Other expenses are systematically recognized in the profit and loss statement.

e) Intangible assets

(i) Intangible assets

The Group recognizes intangible assets only when:

- it is probable that the future economic benefits that are attributable to the assets will flow to the Group, and
- the purchase price or cost of production of a given asset may be measured reliably.

An intangible asset is initially valued at purchase price or cost of production. Intangible assets are subject to amortization. Amortization rates have been established with consideration to the period of economic usefulness of intangible assets.

Intangible assets are amortized using the straight-line method with the following rates:

- licenses: 20%-90%
- computer software: 50%

Expenses on research works are recognized as costs at the moment they are borne.

Costs of development works borne before the commencement of production or application of new technological solutions are classified as intangible assets if the Company can prove the following:

- the possibility, from a technical point of view, to complete an intangible asset so that it is suitable for use or sale,

- the intent to complete an intangible asset and to use or sell it,
- the capacity to use or sell an intangible asset,
- the means in which an intangible asset will create potential economic benefits. Amongst others, the Group should prove the existence of a market for products arising due to the intangible asset or the asset itself or – if the asset is to be used by the entity – the usefulness of the intangible asset,
- the availability of applied technical, financial and other resources which are to serve completion of development works and the use or sale of the intangible asset,
- the possibility to establish outlays borne during development works which may be assigned to such intangible asset.

The costs of development works with a useful life assumed in advance are subject to amortization. Amortization charges commence as of the date when a given asset is ready for use, whereas they end at the moment when a given asset is allocated for sale or ceases to be included in the accounts.

The amortization period is equal to the period of economic usefulness of a resource held. The adopted amortization period and method for the costs of development works are verified at least as at the end of the financial year. Costs of development works are amortized during the anticipated period of achieving revenues from sale of a product, however not longer than 3 years.

The Group does not amortize the costs of development works with an undefined useful life. Intangible assets with undefined useful life are subject to an annual impairment test, in application of the guidelines of IAS 36 Impairment of Assets.

External financing costs (e.g. interest on loans and borrowings and exchange differences on loans and borrowings denominated in foreign currencies) which may be directly assigned to the purchase or production of assets increase the purchase or production cost of such item. Net financing costs include interest payable on debt established based on the effective interest rate, interest receivables on funds invested by the Group, due dividends, gains and losses on foreign exchange differences and gains and losses on hedging instruments, which are recognized in the statement of profit and loss.

(ii) Impairment

At the end of each reporting period the Group reviews fixed assets in order to confirm that there have been no circumstances indicating the possibility of their impairment.

In the event of such circumstance existing, the recoverable amount of a given asset is estimated in order to establish a potential write-down.

In a situation where an asset does not generate cash flows which are to a large extent independent of cash flows generated by other assets, analysis is carried out for the group of assets generating cash flows to which a given asset belongs.

In the case of intangible assets with an undefined useful life, the impairment test is carried out both annually and in the event of circumstances indicating the possibility of impairment. The recoverable amount is established as the higher of two values: fair value less costs to sell, or its value in use. This final amount corresponds to the current value of estimated future discounted cash flows using a discount rate taking into consideration the present market value of money and asset-specific risk.

If the recoverable amount is lower than the net book value of an asset (or group of assets), the book value is decreased to the recoverable amount.

Impairment loss is recognized as a cost in the period it occurred, with the exception of a situation where an asset has been recognized at restated value (in this case the impairment is treated as a decrease in the previous restatement).

At the moment where the impairment is subject to subsequent reversal, the net value of the asset (or group of assets) is increased to the new estimated recoverable amount, however not higher than the net value of such asset as it would have been established had impairment not been identified in previous years.

Reversal of impairment is recognized in revenue in as far as the asset has not been subject to prior restatement – in this event reversal of impairment is recorded in the revaluation reserve.

f) Investments

Investments other than property, intangible and financial assets are recognized at purchase price, less impairment.

Investments recognized at historical cost expressed in a foreign currency as at the end of the reporting period are valued using the average exchange rate announced by the National Bank of Poland as at the end of the reporting period.

g) Financial instruments

Financial assets and liabilities are recognized in the balance sheet at the moment when the Group becomes a party to a binding agreement.

The Group classifies each agreement which results in simultaneous occurrence of a financial asset with one party and a financial liability or equity instrument with the other party as a financial instrument, on condition that unambiguous economic effects result from a contract executed between two or more parties.

In accordance with IAS 39, the Group classifies financial instruments as:

- instruments held for trading (at fair value through profit or loss) - financial assets or liabilities which have been acquired or have arisen in order to generate profit achieved due to short-time price fluctuations,
- financial instruments held to maturity – financial assets with fixed or determinable payments or fixed maturity dates, which the Group has the intent and capability to hold to maturity, carried at amortized cost with application of the effective interest rate method, with the exception of loans granted by associates and own debt claims, valued using the effective interest rate method,
- available-for-sale financial instruments – financial assets other than loans granted and own receivables, assets held to maturity or other than financial assets not held for trading, carried at fair value,
- loans and receivables – non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. At initial recognition, the Group values financial assets and liabilities at purchase cost (price), i.e. according to the fair value of the payment made in the case of assets, or the amount received in the case of liabilities.

The Group includes transaction costs in the initial value of all financial assets and liabilities.

Differences in restatement and revenues achieved or costs borne appropriate to classification of a financial asset are recognized in profit or loss or the revaluation provision as available-for-sale financial assets, respectively.

Principles for valuation of financial instruments as at the end of the reporting period are evaluated by the Group at amortized costs, with consideration of the effective interest rate of:

- assets held to maturity,
- loans granted and receivables, and
- other financial liabilities not classified as held for trading.

Valuation may also take place:

- at the amount requiring payment if the discount effect is not significant;
- at the amount requiring payment: receivables and liabilities with short maturity period;
- at fair value: financial assets and liabilities held for trading and available-for-sale financial assets.

Changes in the fair value of financial assets held for trading not being part of hedges are recognized as finance income or costs when they arise.

Interests in other entities are valued at purchase price less impairment.

h) Trade and other receivables

Current trade and other receivables are valued at repayment value in as far as the effect of charging interest is not significant. Otherwise receivables are initially recognized at fair value and subsequently valued at amortized cost in application of the effective interest rate. In accordance with the principle adopted by the Group, receivables with maturity of longer than 180 days are subject to discounting.

i) Inventory

The initial value (cost) of inventories includes all costs (acquisition, production, etc.) borne in connection with bringing inventories to their current location and condition.

The purchase price of inventories includes the purchase price increased by import duty and other taxes (not subject to subsequent refund from tax authorities), costs of transport, loading, unloading and other costs directly connected with the acquisition of inventories, decreased by discounts, rebates and other similar reductions.

Inventories are measured at initial value (purchase price or cost of production) or at net sale price depending on which is lower.

In relation to other inventories, costs are established using the first in, first out (FIFO) method.

Impairment losses on inventory

Impairment losses on current property, plant and equipment connected with their impairment or valuation as at the end of the reporting period correspond to their own operating costs (IAS2).

The Group creates impairment losses equity to net recoverable values of inventory. The net recoverable value is the sale price established in normal operations less finishing costs and estimated costs necessary for sale to be effected.

Reversal of an inventory depreciation write-down resulting from an increase in the net recoverable value is recognized as a decrease in inventory recognized as other operating revenue which the write-down reversal concerns.

As at the balance sheet date, the inventory is valued at acquisition or purchase price, and such a price may not exceed the net sales price for a given inventory item.

Foreign-currency advance payments are recognized at the ask rate of the bank used by the Group.

The Group measures advance payments for inventory at nominal value and presents these in the financial statements at the historic rate less impairment. The Group inventories prepayments through the provision by contracting parties of confirmation that prepayments included in auxiliary ledgers to general ledger "supplier accounts", and provides explanations and settlement of potential variance.

j) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. Current investments which are not subject to significant change in value, which may be easily exchanged for a defined amount of cash and which constitute a part of the Company's liquidity management policy are recognized as cash and cash equivalents for the purposes of the statement of cash flows.

k) Share capital

Share capital is recognized at the nominal value of issued and registered shares.

(i) (i) Purchase of own shares

In the event of purchase of own shares, the payment amount, together with direct transaction costs, is recognized as a change in equity. Purchased shares are recognized as a decrease in equity.

(ii) Dividends

Dividends are recognized as a liability in the period in which they are authorized.

l) Provisions

Provisions are liabilities of uncertain time and amount. Group companies create provisions when all of the following conditions are met simultaneously:

- the companies are burdened with an obligation (legal or constructive) resulting from past events,
- it is probable that fulfillment of an obligation will result in necessary outflow of resources representing economic benefits,
- the amount of such obligation can be reliably estimated.

The Group creates the following provisions for liabilities:

- deferred income tax provision created in connection with the occurrence of positive differences between the book value of assets and liabilities and their tax value,
- provisions for employee benefits - provisions for pension gratuities are calculated based on own estimates, however with regard to the low average age of employees and the insignificant value of the provision resulting from this, there is currently no provision created,
- other provisions.

Release of unused provisions occurs as at the date on which they are acknowledged as unnecessary.

m) Trade and other payables

Trade and other payables are divided into current and non-current payables through application of the following criteria:

- maturing in under 12 months from the end of the reporting period - classified as current payables,
- payables not classified as trade payables and which do not fulfill the criteria for classification as current constitute non-current payables.

Trade payables with maturity of up to 180 days are valued as at the end of the reporting period at repayment value increased by potential interest for delay due as at the valuation date.

Trade payables within maturity of over 180 days are valued as at the end of the reporting period at amortized cost (i.e. discounted in application of the effective interest rate).

All turnovers and account balances should be reconciled, and potential adjustments should be made to the accounts, including in the consolidated financial statements of the entity. In the event of discrepancies in agreeing a balance between the entity and the contracting party, the seller's position prevails and, after closing the year, potential adjustments are entered in the accounts for the current year.

Payables denominated in foreign currencies are valued at the current average exchange rate for a given currency on a given date established by the National Bank of Poland.

Interest for late payment of payables is not charged if the authorized entity submits a written declaration on opt-out of such interest. In other instances interest is calculated and recorded as per the principles below:

- systematically, pursuant to interest notes received,
- at estimated value, where estimation is based on historical data reflecting the amount of interest charged by specific contracting parties in relation to the level of debt.

In each instance other significant risks meaning that such interest may be charged should be taken into consideration when calculating interest.

The notes to the financial statements should include the fact of the occurrence of overdue liabilities and the associated risk that interest will be charged by creditors.

n) Revenue

Revenue from sale of products and services includes sale of products manufactured by the Group to which it has exclusive license rights for their production or it purchased a license for release and distribution, together with services provided by the Group to other entities.

Revenue from sale of goods for resale and materials includes sale of products which were purchased and are held for further sale in a non-processed form, together with sale of materials for manufacture.

Revenue from sale of products and goods is recognized if the following conditions are met:

- the Group has transferred significant risk and benefits resulting from the right of ownership of goods and products to the purchaser,
- the Group ceases to be permanently involved in managing the sale of goods or products to the extent that such function is usually exercised in relation to goods and products to which there is right of ownership, and it does not exercise effective control over them,
- the revenue amounts may be measured reliably,
- it is probable that the Group will achieve economic benefits from the transaction,
- costs borne and those which will be borne by the Group in connection with the transaction may be valued in a reliable manner.

Revenue is recognized if achievement by the Group of economic benefits connected with the executed transaction is probable.

If there is uncertainty regarding the collectibility of an amount due which is already counted as revenue, then the uncollectible amount in relation to which collection is no longer probable is recognized as costs and not as an adjustment of the initially recognized revenue amount.

Revenue from sale is recognized at the fair value of payments received or due and represents receivables for products, goods and services supplied under normal business activity after decrease by discounts, VAT and other sales-related taxes.

Revenue from interest is recognized cumulatively in relation to the principal amount, in accordance with the effective interest rate method on lease.

o) Costs

The Group draws up a consolidated profit and loss statement in multiple-step format. Costs are classified in accordance with their function.

(i) (i) Finance lease payments

Lease payments are divided into a part constituting the cost of finance and a part decreasing the liability. The part constituting the cost of finance is allocated to specific periods during the term of the lease applying the effective interest rate method.

(ii) Net financing costs

Net financing costs include interest payable on debt, established on the basis of the effective interest rate, interest due on funds invested by the Group, dividends due, foreign exchange gains and losses and profit and loss concerning hedging instruments which are recognized in the statement of profit and loss.

Interest income is recognized in the statement of profit and loss on an accrual basis applying the effective interest rate. Income from dividends is recognized in the statement of profit and loss at the moment when the Group acquires the right to receipt thereof. The part constituting the cost of finance arising in connection with finance lease fees is indicated in the statement of profit and loss applying the effective interest rate method.

p) Tax

Mandatory encumbrances on the result include current tax and deferred tax.

The current tax obligation is calculated on the basis of the tax result (basis for taxation) for a given financial year. Tax for the current and previous periods is recognized as a liability in the amount which has not been paid.

Tax profit (loss) differs from net book profit (loss) in connection with the exclusion of revenues subject to taxation and tax-deductible expenses in subsequent years and items of cost and revenue which will never be subject to taxation.

Deferred tax is calculated using the balance sheet method as tax subject to payment or refund in the future on the difference between the carrying amounts of assets and liabilities and the corresponding tax values used to calculate the basis for taxation.

Deferred income tax assets and provisions for deferred income tax are valued with application of tax rates which will be applied, according to predictions, if an asset is realized or a provision liquidated, adopting the basis as the tax rates (and tax regulations) legally in force or actually binding as at the end of the reporting period.

A deferred tax asset is subject to analysis as at each balance sheet day, and in the event of it being expected that future tax profits will be insufficient to realize an asset or part thereof, it is written off. Deferred income tax assets and provisions for deferred income tax are not discounted.

Deferred tax is recognized in the profit and loss statement, aside from a situation where it concerns items directly recognized in equity. In this last instance deferred tax is also settled directly in equity. The Group offsets deferred income tax assets with provisions for deferred income tax exclusively when it has an enforceable legal title to offset deferred income tax assets with provisions for deferred income tax.

q) Foreign-currency transactions

Transactions executed in foreign currencies are translated into the functional currency in application of exchange rates in force on the date of executing such transactions, in the following manner:

- in the case of selling foreign currencies and receivable repayment transactions – using the bid rate applied by the bank used by the Group;
- in the case of purchasing foreign currencies and liability repayment transactions – using the ask rate applied by the bank used by the Group;
- in the case of other transactions – according to the average exchange rate announced for a given currency by the National Bank of Poland in as far as customs documents do not give another exchange rate.

Cash items recognized at historical cost expressed in a foreign currency are recorded at the end of the reporting period using the average exchange rate announced by the National Bank of Poland as at the end of the reporting period. Non-monetary balance sheet items recorded at historical cost expressed in a foreign currency are recorded in application of the exchange rate as at the date the transaction is executed. Non-monetary balance sheet items recorded at fair value in a foreign currency are recorded in application of the exchange rate in force during establishment of fair value.

Foreign exchange gains and losses resulting from settlement of transactions in foreign currencies and from translation of cash assets and liabilities according to average National Bank of Poland exchange rates as at the end of the year are indicated in the statement of profit and loss, with the exception of settlement in equity fulfilling the criteria for recognition of cash flow hedges.

r) Segment reporting

A reportable segment is a separate part of the Group which deals with the supply of defined products or services (operating segment) or supply of products or services in a defined economic environment (geographical segment), which is subject to risks and derives benefits differently to other segments.

The Capital Group presents revenue from sales broken down into the following segments:

- operating – covering sales divided into products, goods and services,
- types of gaming consoles and PCs.

Revenue from sale of products covers sale of products manufactured by the Group to which it has exclusive licensing rights for their production or it purchased a license for release and distribution.

Revenue from sale of services covers revenues for services provided by the Group to other entities.

Revenue from sale of goods for resale covers sale of products which have been purchased and are held for further sale in a non-processed form, together with sale of materials for manufacture.

Operating costs are divided as follows:

- direct costs, which may be assigned to a given product or service, or the value of goods or materials sold at purchase price,
- indirect costs, i.e. costs which cannot be directly assigned to a defined product, e.g. administrative, sales and other operating costs.

Segment reporting – assignment to specific operating segments – concerns direct costs and such part of indirect costs which can be assigned to a given segment.

s) Operations being discontinued and non-current assets held for sale

Immediately before reclassification to the group of assets held for sale, valuation of assets (or all assets and liabilities constituting a group held for sale) is updated in accordance with the appropriate IFRS. Subsequently, as at the day of initial classification as held for sale, a fixed asset or group of assets held for disposal are recognized according to the lower value: carrying amount or fair value less cost to sell.

Impairment identified at initial classification as held for sale is recognized in the profit and loss statement even in the event of value restatement. This also concerns profit and loss resulting from subsequent change in value.

Discontinued operation is a part of the Group’s activity which constitutes a separate main business line or geographic segment or is a subsidiary acquired exclusively for further sale.

Classification as discontinued operation takes place as a result of disposal or at the moment when the operation fulfills the criteria for classification to the group held for sale.

General description of CI Games Capital Group operations

The CI Games Capital Group operates in the global video game development and publishing market. The parent company, CI Games S.A., is the first publicly traded company in this sector in Central and Eastern Europe and the first to emerge as an international player and generate outstanding market and financial performance. The Group's strategic goal is to build a portfolio of recognizable brands in the most popular video-game genres using its advanced know-how and experienced team.

In the gaming market, the Capital Group operates as:

- Developer, with in-house production studios,
- Publisher of own games and licensed products, being responsible for marketing strategy and product roll outs using local distributors,
- Distributor, selling products directly to retail chains and online.

The Group is investing in expanding its management and creative team through hiring developers with years of experience in managing projects at well-respected studios throughout the world. The Group also works with leading technology providers and makes use of the latest equipment and software. The Issuer has executed agreements on game development and independent distribution with owners of the most popular gaming consoles, i.e. Sony and Microsoft. The Group produces games for this generation of platforms (PlayStation®3 and Xbox360®) and for the debuting new generation of devices (Xbox One® and PlayStation®4), as well as for PCs. In order to maximize sales performance and marketing potential, CI Games collaborates with international distributors who operate in specific regional markets and are responsible for implementing promotional plans.

Through combining the above three functions, the Group may effectively control the process of game development and distribution.

Organizational structure of the Issuer's Capital Group, including consolidated entities

Composition of the CI Games Capital Group as at Wednesday, September 30, 2015:

- **CI Games S.A.** (formerly City Interactive S.A.) – a Warsaw-based company. Share capital: PLN 1 391 500. Group parent.
- **CI Games USA Inc**. (formerly City Interactive USA Inc.) – a company having its registered office in Delaware, USA. Share capital: USD 50,000. 100% of shares held by CI Games S.A. Company subject to consolidation from Q2 2008.
- **CI Games Germany GmbH** (formerly City Interactive Germany GmbH) – a company having its registered office in Frankfurt am Main, Germany. Share capital: EUR 25,000. 100% of shares held by CI Games S.A. Company subject to consolidation from Q2 2008.
- **City Interactive Studio S.R.L.** – a company having its registered office in Bucharest, Romania. 100% of shares held by CI Games S.A. This company is subject to consolidation from Q4 2011. On November 7, 2013, the company filed for bankruptcy at the VII Civil Division, Court in Bucharest.
- **Business Area Sp. z o.o.** - a company having its registered office in Warsaw, subject to consolidation from Q3 of 2010. Share capital of PLN 5,000. 100% of shares held by CI Games S.A.
- **Business Area Spółka z ograniczoną odpowiedzialnością Spółka Jawna** (transformed from Business Area Spółka z ograniczoną odpowiedzialnością S.K.A.) – company headquartered in Warsaw. The company is subject to consolidation from Q1 2013. On September 26, 2013, Business Area Spółka z ograniczoną

odpowiedzialnością S.K.A. was transformed into Business Area Spółka z ograniczoną odpowiedzialnością Spółka Jawna.

- **CI Games Spółka Akcyjna Spółka Jawna** (transformed from CI Games IP Sp. z o.o.) – company headquartered in Warsaw. The company is subject to consolidation from Q1 2013. On Thursday, September 19, 2013, CI Games IP Sp. z o.o. was transformed into CI Games Spółka Akcyjna Spółka Jawna.
- **CI Games Cyprus Ltd.** – company headquartered in Nicosia, Cyprus. Share capital: EUR 1,200. 100% of shares held by CI Games S.A. The company is subject to consolidation from Q1 2013.

In 2008, CI Games S.A. acquired shares in the following companies operating in Latin America, and then in 2009, ceased their further development: Currently these entities are not subject to consolidation, as their operations have been discontinued and the Parent has created appropriate provisions:

- City Interactive Peru SAC (formerly UCRONICS SAC) - a company having its registered office in Lima, Peru. 99% held by CI Games S.A. Share capital: Sol 2,436,650. The company was subject to consolidation from the date of acquisition of a controlling block of shares to the end of 2008.
- City Interactive Jogos Electronicos LTDA - a company having its registered office in Sao Paulo, Brazil. Initial capital: BRL 100,000. 90% share held by CI Games S.A., remaining 10% held by CI Games USA Inc.
- City Interactive Mexico S.A. de C.V. - a company having its registered office in Mexico City, Mexico. Initial capital: MEX 50,000 95% shares held by CI Games S.A., remaining 5% held by CI Games USA Inc.

Indication of shareholders holding directly or indirectly through subsidiaries at least 5% of total votes at the Parent’s General Meeting of Shareholders

As at submitting the quarterly report, indicating the number of shares held by the entities, their percentage interest in the share capital, number of votes resulting therefrom and their percentage share in the overall number of votes at the General Meeting of Shareholders, as well as indicating the changes in the ownership structure of significant Issuer's shares blocks in the period from the submission of the previous annual report

The total number of votes at the General Shareholders Meeting of the Parent, CI Games S.A., is 13,914,999 votes.

Parent's shareholding structure as at the publication date of this report:

Shareholding structure	Votes	%	No. of shares	%
Marek Tymiński	6 366 357	45,8%	6 366 357	45,8%
Others	6 775 754	48,7%	6 775 754	48,7%
Towarzystwo Funduszy Inwestycyjnych PZU Spółka Akcyjna	772 888	5,6%	772 888	5,6%
TOTAL	**13 914 999**	**100,0%**	**13 914 999**	**100,0%**

During the period from publication of the Issuer's preceding report (i.e. during the period from August 31, 2015 to November 16, 2015), there were changes in ownership of significant interests in the Issuer's blocks of shares:

In the period from August 31, 2015 to November 16, 2015 the following changes took place in the capital commitment of important shareholders of the Company:

- on October 19, 2015 the funds: QUERCUS Parasolowy SFIO and QUERCUS Absolutnego Zwrotu TFI, holding the shares in the Company jointly sold the shares during transactions on the regulated market. As a result of Company shares' sale by those funds, their share in the overall number of votes in the Company (at the Company's General Meeting of Shareholders) was reduced from 5.06% to 4.95% while the number of Company shares held decreased from 704,324 to 688,324 shares.

The specification of CI Games S.A. shareholding or rights to shares by the Issuer's management and supervisory board members as at the publication of the quarterly report, indicating changes in the shareholding structure in the period from the submission of the recent mid-year report, separately for each person

Person	Position	As at Aug 31, 2015	Increased shareholding	Decreased shareholding	As at Nov 16, 2015
Marek Tymiński	President of the Management Board	6,356,357	10,000	0	6,366,357
Lech Tymiński	Member of the Supervisory Board	9,565	0	3,000	6,565

Description of significant achievements or set-backs in the reporting period and events impacting its financial results

In the reporting period there were no events that can be considered significant achievements or set-backs.

Description of factors and events, in particular extraordinary ones, affecting the financial results

PROFIT AND LOSS STATEMENT

Net trading receivables of the Group in three quarters 2015 reached PLN 11.5 million that is were 16.3 million lower than in three quarters 2014. The major factor affecting the difference in the compared periods was the excellent sale result in the first half of 2014 for Sniper: Ghost Warrior 2 game.

For the first 9 months of 2015 the Issuer recorded the loss of PLN 7.4 million, when compared to the loss of PLN 20.3 million in the analogous period last year. The major cause of the loss was low sales volume resulting from the absence of newly released games in the reporting period.

BALANCE SHEET

The balance sheet total of CI Games Capital Group as at 30 September 2015 was PLN 85.2 million that is 5% less than on 30 September 2014.

The fixed assets in the balance sheet as at 30 September 2015 were PLN 64.7 million that is 8% less than on 30 September 2014.

The Group current assets reached PLN 20.5 million as at 30 September 2015 and increased by PLN 1.7 million when compared to the situation as at 30 September 2014 which resulted primarily from the receivables increased by PLN 5.6 million. Cash which amounted to PLN 4.7 million as at the end of September 2015, were reduced by PLN 3.8 million, that is 45% when compared to the end of September 2014. It should be mentioned that as at the end of September 2014 the Company utilized PLN 10.7 million of a loan whereas as at the end of September 2015 the Company had no loan liabilities.

The Group equity as at 30 September 2015 was PLN 75.6 million which means PLN 15.2 million (25%) increase when compared to 30 September 2014. The increase in equity results primarily from the increase in the retained earnings.

The Group liabilities as at the end of September 2014 reached PLN 9.6 million and dropped by PLN 19.4 million when compared to the liabilities as at the end of September 2014. High liabilities as at the end of September 2014 resulted from the fact that in June and October 2014 the Company released two games which was connected with outlays for producing the physical game media (DVDs).

The trade liabilities as at the end of September 2014 reached PLN 4.2 and dropped by PLN 2.3 million when compared to the liabilities as at the end of September 2014.

CASH FLOWS

Net cash flows on operating activities were positive. They reached PLN 10.9 million and resulted primarily from the reduced receivables.

Net cash flow on investment activity was negative and reached PLN -15.6 million. The investment cash flows were most affected by the expenses related to the development works connected with creating Sniper: Ghost Warrior 3 game.

Net cash flows on financial activities reached PLN 42 thousand which includes payments of financial lease installments and interests.

Cash as at the end of the reporting period reached PLN 4.7 million.

As at 30 September 2015 the Group had one open hedging transaction for the purchase of USD 128 thousand as at 30 October 2015.

Estimated amounts as at Wednesday, September 30, 2015

Estimated values	Individual as at 30.09.2015	Consolidated as at 30.09.2015
	thousand PLN	thousand PLN
Receivables impairment	3 606	3 731
Inventory impairment	211	211
Provision for retirement and similar benefits	27	27
Deferred income tax provision	3 498	3 498
Provision for costs and liabilities	1 335	1 826
TOTAL provisions and impairments	**8 677**	**9 292**
Net revenue provision for returns and adjustments	120	512

Sale structure for Company products for three quarters 2015 and in the comparative period

Sales structure	YTD Q3 2015	Q3 2015	YTD Q3 2014	Q3 2014
PS3/PS4	35%	41%	51%	57%
XBOX/XONE	30%	25%	35%	34%
PC	33%	34%	13%	9%
DS	0%	0%	0%	0%
Wii	1%	0%	1%	0%

Sales structure	YTD Q3 2015	Q3 2015	YTD Q3 2014	Q3 2014
Console games	67%	66%	87%	91%
PC games	33%	34%	13%	9%

Sales channels	YTD Q3 2015
Online sales	95%
Box sales	5%

Explanations concerning the seasonal or cyclical nature of the Issuer's business in the reporting period

Due to the variety of revenue streams and specifics of the computer gaming industry, the CI Games Capital Group is subject to sales revenue volatility during the financial year, determined mainly by the release of new products. The Issuer establishes the dates for release of its games in order to select the most beneficial competitive environment and in order for the release to generate optimal financial results.

Indication of proceedings in progress before a court, competent authority for arbitration proceedings or public administration authority

As at the statement preparation, the following proceedings are pending, where CI Games S.A. or its subsidiary is a party:

- case brought by ARDO S.A. against CI Games S.A. for the payment of PLN 116,781.00 in respect of damage to the claimant's premises rented by the defendant. The Issuer created a provision for the value of the object of litigation;

- case brought by Metricminds GmbH&Co.KG against CI Games S.A. for the payment of EUR 91,000.00 as remuneration for the graphic services. The Issuer created a provision for the value of the object of litigation;

- case brought by City Interactive USA Inc. against Bandai Namco Games America Inc. (currently Bandai Namco Entertainment America Inc.) for the payment of USD 1,228,098.00 due to the excess provisions for future price reductions made by the defendant. The defendant decreased the sale volume by the amount corresponding to the value of the object of litigation;

- dispute between CI Games S.A. and Original Force Ltd. related to the latter's failure to ensure due performance of the agreement related to the development of graphics for "Sniper: Ghost Warrior 3" game. The case has been taken to the out-of-court mediation procedure.

The Issuer's Management Board has no information concerning any proceedings in progress in which CI Games S.A. or its subsidiaries take part, the value of which (separately or jointly) is at least 10% of the Issuer's equity.

Information on change in contingent liabilities or assets which have occurred since the end of the last financial year

As at 30 September 2015, the Parent did not hold any contingent liabilities.

Information on grant by the Issuer or one of its subsidiaries of sureties for credit or loans or grant of guarantees – to one entity or subsidiary from such entity if the total value of existing sureties or guarantees constitutes the equivalent of at least 10% of the Issuer's equity

During the period from January 1 to 30 September 2015, neither the Issuer nor any of its subsidiaries issued loan sureties or guarantees, the value of which could constitute at least 10% of the Issuer's equity.

Information concerning the issue, buy-back and repayment of non-equity and debt instruments

During the reporting period the Issuer did not issue, redeem or repay any other equity or non-equity instruments.

Effects of changes in organizational structure of the economic entity, including as a result of merging economic entities, acquisition or disposal of group entities, non-current investments, divisions, restructuring and discontinuation of activity

In the reporting period there were no changes in the structure of CI Games Capital Group except for the transformations of subsidiaries, as described in section 4 hereof.

Information on conclusion by the Issuer or one of its subsidiaries of one or more transactions with related entities, if these are individually or jointly significant and were executed on conditions other than market conditions, with indication of their values

During the reporting period the parent and subsidiaries did not execute transactions which were atypical, exceeded the normal course of operating activities with related entities and which were significant either individually or jointly.

Information concerning paid (or declared) dividends, both total and per share, with division into ordinary and preferred shares

During the reporting period the parent, CI Games S.A., neither paid out nor declared any dividends.

Other information which the Issuer's management believes is essential for assessment of its HR, asset or financial situations, financial result and change thereto, as well as information essential for assessing the Issuer's ability to satisfy its liabilities

In the opinion of the Management Board of CI Games S.A., no information other than that included in this report will appear which could be significant for assessing the Issuer's HR, asset and financial situation (including financial result) and changes in these and for assessing the Issuer's and its subsidiaries' ability to perform their obligations.

Management's position concerning the possibility to meet previously published earnings forecasts for a given financial year in light of results presented in the quarterly report in relation to forecast results

The Issuer's management did not publish any estimates or forecasts concerning the CI Games Capital Group's consolidated results other than those presented in this report.

Indication of events which occurred after the date as of which the quarterly financial statements were drawn up such as were not recognized in the statements and which may have a significant impact on the Issuer's future financial results

There are no material events after the balance sheet date, affecting evaluation of the financial and material standing of the Issuer.

Indication of factors which, in the opinion of the Issuer's management, may have an impact on achievement by the company of financial results in the perspective of at least the subsequent quarter.

According to the Management Board, in the following quarter there should be no material factors affecting the financial results obtained.

The most important external risk factors from the Issuer's perspective are as follows:

Risk related to the macroeconomic situation

The computer gaming market where CI Games Capital Group operates is characterized by high competitiveness, rapid technological changes and changing consumer interests. An important factor affecting the activity negatively is the macroeconomic fluctuations in particular markets. To reduce the risk, the Group develops its operations globally, carrying out its independent publishing activities on all important global markets. In recent years, the entertainment sector has developed dynamically and it is estimated that the video gaming market value has exceeded the one of the film sector.

Competition risk

The Capital Group operates on the market where the major position is held by companies with strong, established reputation. The Group is using its most important advantages effectively: the experienced team, global distribution network, cost advantage connected with lower profitability threshold when compared to other, much bigger producers. Flat organizational structure, on the other hand, provides an advantage of flexibility and quick operations. Since mid-2014, the Group has developed games solely for the new generation of platforms (Sony PlayStation4®, XboxOne®) and PCs, offering high trading potential.

Trend change risk

CI Games Capital Group operates in the area of new technologies and virtual entertainment where the product life cycle is relatively short. It is impossible to exclude the risk of the emergence of new solutions which may render the offered products no longer attractive and fail to generate the desired earnings. To reduce the risk, the Group adopted the strategy of following the trends and offering verified products on the market, recognized by buyers, on the market. The trend setting strategy would be more expensive and risky.

The main activities of the Group in this direction are based on regular monitoring of the market with respect to the development of new technologies (e.g. 3D) and entering segments created by the newly-created consoles, mobile devices and the Internet.

The number of projects implemented ensures a versatile offer and reduces market risk.

Risk of amended legal and tax regulations

The Issuer's activity can be threatened by very frequent amendments to the legal and tax regulations in Poland and worldwide. This refers to the regulations and interpretations of regulations related to the intellectual property protection, capital market, labor and social security law, tax law or commercial law regulations. In some countries, the subject of prohibiting the marketing of video games with violence is recurring frequently. There is a risk of amending the regulations in some states where the Capital Group offers its products which could adversely affect the Group results.

The Group has carried out action to eliminate the risk by cooperating with specialized legal offices worldwide and product third party liability insurance for the entire publication catalogue.

FX risk

In the reporting period, most revenues of the Capital Group were generated in two currencies: EUR and USD. The parent company protects itself from the FX risk by contracting liabilities in those currencies.

The risks factors related directly to the Group activity include:

Risk related to losing key employees

The Group success largely depends on the knowledge and expertise of the employees. This is characteristic of video game producers, for whom the intellectual values are of key importance. It is difficult to hire qualified specialists in this sector. The recruitment of new workers entails their onboarding which causes lower efficiency of work for some time.

Risk related to losing key customers

The commercial activity is based on the developed retail chain channels and Poland and close cooperation with foreign distributors headquartered worldwide. There is a risk that the distribution agreement can be dissolved or bankruptcy declared for the distribution channels being formal buyers of goods and for whom the Group is a creditor. To minimize the possibility of losses, the Parent Company has subsidiaries on all the most important markets, such as e.g. U.S., the tasks of which are to expand the distribution opportunities and cooperate with the distributors closely.

Supplier-related risk

One of the supplier-related risk categories is the introduction of titles to specific platforms and cooperation with their owners during their certification process. The failure to obtain a certificate and the likelihood of terminating publishing agreements for consoles are the two major risk components which actually exist and can affect the Capital Group financial results. It should, however, be stressed that the Issuer makes special effort to carry out and satisfy all the liabilities stemming from the agreements between those entities and the Issuer and their subsidiaries. The payments related to publishing console games are the major amount of the trade payables of the Group in the reporting period and are made in due time.

Risk related to the development plan implementation

The growing costs of game production can cause increased demand for external financing. CI Games S.A. parent company is able to obtain financing from the financial sector - if it becomes necessary to finance other projects.

Risk related to the offered products

The video gaming market is stimulated by expectations related to new products' release. There is a risk that some products will be finished later than planned. This can negatively affect the generated cash flows and financial result in particular periods.

The external factors likely to postpone the new release date are connected with the determination of time required to complete the game production process to ensure it meets quality requirements. Issuing a game not meeting high standards adopted by the Group could adversely affect the earnings from the sales of a specific product, but also impair its image.

An external factor likely to affect the decision to postpone the release is the market situation as it is an important aspect of the decision-making process to issue the game when the competition of other products is the lowest. Another important factor is the suppliers' delay to prepare the ordered game components in time.

Postponing the release date is frequently connected with a marketing aspect of a "long-awaited game" which contributes to building the product image.

Another aspect is the risk of making a claim concerning copyright to the games, their components, logos or registered names for particular products vis-a-vis some company belonging to the Capital Group. That risk is especially notable for the operations in the U.S. which need to comply with stringent intellectual property law. To avoid or minimize risks on that ground, the Capital Group uses the support of legal offices specializing in the intellectual property protection and registers the trademarks for its products. Registering trade marks in the European Union and other countries globally, it is necessary to verify their presence on particular markets and assess the risk of violating third party copyright.

Liquidity risk

The Capital Group is exposed to high liquidity risk. To protect against the buyers' insolvency risk, their financial standing is analyzed and the receivables inflow is constantly monitored. The parent company is able to obtain financial resources in the form of a bank debt or issuance of bonds.

MANAGEMENT BOARD:

Marek Tymiński

President of the Management Board

Adam Pieniacki

Member of the Management Board

Monika Rumianek

Management Board Member

Łukasz Misiurski

Management Board Member

Warsaw, Monday, November 16, 2015