

**Current report no. 42/2017**

June 27, 2017

Confidential information

**"Adoption of strategy of CI Games Capital Group development for the years 2017-2019"**

The Management Board of CI Games S.A. with its registered seat in Warsaw ("Company") hereby informs that on Tuesday, June 27, 2017, it adopted a strategy of CI Games Capital Group development for the years 2017-2019 ("Strategy").

The adopted strategy results from the need to adapt to major trends on the global market of video games. It is composed of the following elements:

- foreseen increases of video games market value prove that it is a developing market;
- share of digital channel in the general sale of games increases independently of the software platform, yet the market value of traditional distribution is still on a very high level;
- the AAA games market is being dominated by more and more expensive productions with very high expenditures on marketing;
- productions that can be found in the lower segment in terms of means allocated for their production, characterized by high quality, have a huge sales potential if they are of appropriate quality and they fit in the market trends.

Taking into consideration that CI Games Group has at its disposal a strong development team, copyrights and resources from previous projects, the Company's Management Board aims to base the development plan of CI Games Capital Group for the years 2017-2019 on the following assumptions:

- resignation from the production of AAA games class and focusing on smaller - in terms of scale - projects, that are to be characterized by high quality and balanced production and marketing budgets, adjusted to the actual sales potential of a given project;
- proceeding in such a way to make it possible for the Company's Capital Group to implement several project of that type at the same time. Eventually, starting from 2018, the CI Games Group should be able to release at least one new product a year;
- maximization of sales in the digital sales channel at the same time being present in the traditional (based on boxes) distribution model;
- maintaining high costs discipline and constant improvement of games production process efficiency, also in terms of creating games with the use of internal staff or with the cooperation with external subcontractors.
- enhancing the presence on selected geographical markets, for example in China.

In the period from 2017-2019, the CI Games Group will focus on the following key projects for PS4, Xbox One and PC platforms:

- tactical shooter in which the widely understood technical solutions will be used as well as the experience of the whole team gathered during the production of "Sniper Ghost Warrior 3" game;

- second part of “Lords of the Fallen” game, that will be a sequel to a well-received - both by gamers and critics - first part from 2014.

At the same time, the Company’s Management board announces a publication of sniper game for mobile platforms for the 3rd quarter of 2017, and on the basis of the sales result of the said game the Management shall decide on the subsequent strategy concerning mobile games.

A presentation on the Strategy’s key assumptions is an attachment to this current report.

Legal basis: art. 17 (1) as read with 7 (1) of the Regulation of the European Parliament and of the Council (EU) no. 596/2014 of April 16, 2014, concerning market abuse regulation (MAR).

Marek Tymiński – President of the Management Board