CI GAMES
CAPITAL GROUP

Quarterly abbreviated consolidated and individual financial statement for the third quarter of 2017

CONTENTS

I. Quarterly abbreviated consolidated financial statement of CI Games Group

Consolidated statement on the financial situation as at September 30, 2017

	ASSETS	9/30/2017 PLN thousand	6/30/2017 PLN thousand	12/31/2016 PLN thousand	9/30/2016 PLN thousand
A.	**NON-CURRENT ASSETS**	**82,746**	**76,690**	**83,648**	**84,426**
	Property, plant and equipment	963	847	917	831
	Intangible assets	54,535	55,905	59,299	59,626
	Deferred income tax asset	27,004	19,648	23,035	23,969
	Other non-current assets	244	290	397	-
B.	**CURRENT ASSETS**	**29,109**	**39,232**	**34,194**	**13,029**
	Inventory	5,700	7,080	3,396	2,899
	Current investments	10	0	0	0
	Advances granted	780	298	663	206
	Trade receivables	5,544	12,574	2,690	5,825
	Income tax receivables	785	268	-	612
	Cash and cash equivalents	13,158	16,275	25,424	1,902
	Other current assets	3,132	2,737	2,021	1,585
TOTAL ASSETS		**111,855**	**115,922**	**117,842**	**97,455**

Consolidated statement on the financial situation as at September 30, 2017

	LIABILITIES	9/30/2017 PLN thousand	6/30/2017 PLN thousand	12/31/2016 PLN thousand	9/30/2016 PLN thousand
A.	**EQUITY**	**89,140**	**85,395**	**83,643**	**69,647**
	Share capital	1,501	1,501	1,501	1,391
	Share premium	40,428	40,325	39,975	15,530
	Exchange differences on translation of foreign operations	370	381	579	352
	Reserve capital for the acquisition of shares	16,000	16,000	16,000	16,000
	Other reserve capitals	7	111	-	-
	Retained earnings	30,834	27,077	25,588	36,374
	including profit for the period	5,246	1,489	-16,240	-5,454
	Equity attributable to owners of the Parent	**89,140**	**85,395**	**83,643**	**69,647**
	Equity attributable to non-controlling interests	**-**	**-**	**-**	**-**
B.	**LIABILITIES**	**22,715**	**30,527**	**34,199**	**27,808**
	Non-current liabilities	**9,812**	**356**	**2,751**	**2,881**
	Finance lease liabilities	106		0	0
	Other long-term provisions	210	210	-	-
	Deferred income tax provision	9,496	146	2,751	2,881
	Current liabilities	**12,903**	**30,171**	**31,448**	**24,927**
	Borrowings including credits, loans and other debt instruments	0	14,972	23,917	19,804
	Income tax liabilities	60	56	81	52
	Trade liabilities	3,316	8,929	6,507	3,953
	Finance lease liabilities	114	0	0	0
	Other liabilities	40	167	214	269
	Other current provisions	7,916	5,629	729	849
	Deferred revenues	1,457	418	-	-
TOTAL EQUITY AND LIABILITIES		**111,855**	**115,922**	**117,842**	**97,455**

Book value (in PLN thousand)	**89,140**	**85,395**	**83,643**	**69,647**
Number of shares (in thousands)	**150,850**	**150,700**	**15,015**	**13,914**
Book value per share (in PLN)	**0.59**	**0.57**	**5.57**	**5.01**

Consolidated profit and loss account for the period from January 1 to September 30, 2017

	for the period from 1/01 to 9/30/2017 PLN thousand	for the period from 7/01 to 9/30/2017 PLN thousand	for the period from 1/01 to 9/30/2016 PLN thousand	for the period from 7/01 to 9/30/2016 PLN thousand
Continuing operations				
Net revenue from sales	**90,863**	**17,685**	**17,733**	**6,215**
Revenue from sale of products and services	88,648	17,504	17,057	6,177
Revenue from sale of goods and materials	2,215	181	676	38
Costs of products, goods and services sold	**- 47,067**	**- 5,696**	**- 11,903**	**- 3,562**
Manufacturing cost of products sold	- 44,595	- 5,342	- 11,626	- 3,517
Value of goods and materials sold	- 2,472	- 354	- 277	- 45
Gross profit (loss) on sales	**43,796**	**11,989**	**5,830**	**2,653**
Other operating revenues	1,151	179	274	27
Selling costs	- 25,688	- 1,561	- 5,310	- 3,071
General and administrative costs	- 4,407	- 1,271	- 4,636	- 1,728
Other operating expenses	- 5,371	- 3,982	- 1,084	- 251
Profit (loss) on operating activities	**9,481**	**5,354**	**- 4,926**	**- 2,370**
Financial revenues	2,928	2,920	310	- 397
Financial expenses	- 4,385	- 2,523	- 187	- 32
Profit (loss) before tax	**8,024**	**5,751**	**- 4,803**	**- 2,799**
Income tax	- 2,778	- 1,994	- 651	4
Profit (loss) on continuing operations	**5,246**	**3,757**	**- 5,454**	**- 2,795**
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
NET PROFIT (LOSS)	**5,246**	**3,757**	**- 5,454**	**- 2,795**
Total other comprehensive income, including:				
Exchange differences on translation of foreign operations	**- 209**	**- 11**	**- 126**	**- 55**
TOTAL INCOME FOR THE FINANCIAL YEAR	**5,037**		**- 5,580**	**- 2,850**
Net profit (loss) in thousands of PLN	**5,246**	**3,757**	**-5,454**	**-2,795**
Number of shares (in thousands)	**150,850**	**150,850**	**13,914**	**13,914**
Profit (loss) per ordinary share (in PLN)	**0.03**	**0.02**	**-0.39**	**-0.20**

Consolidated statement of changes in equity for the period from January 1 to September 30, 2017

FOR THE PERIOD FROM 7/01 TO 9/30/2017	Share capital	Share premium	Reserve capital for the purchase of own shares	Other reserve capitals	Translation losses/profits	Retained earnings	**Total equity**
AS AT 1/01/2017	**1,501**	**39,975**	**16,000**	**-**	**579**	**25,588**	**83,643**
Changes in accounting policy	-	-	-	-	-	-	**-**
AS AT 1/01/2017, AFTER CONVERSION	**1,501**	**39,975**	**16,000**	**-**	**579**	**25,588**	**83,643**
CHANGES IN EQUITY							
Profit and loss for the period	-	-	-	-	-	5,246	**5,246**
Share issue		453	-	7	-	-	**460**
Exchange differences on translation	-	-	-	-	- 209	-	**- 209**
AS AT 9/30/2017	**1,501**	**40,428**	**16,000**	**7**	**370**	**30,834**	**89,140**

Consolidated statement of changes in equity for the period from January 1 to December 31, 2016

FOR THE PERIOD FROM 1/01 TO 12/31/2016	Share capital	Share premium	Reserve capital for the purchase of own shares	Other reserve capitals	Translation losses/profits	Retained earnings	Total equity
AS AT 1/01/2016	**1,391**	**15,530**	**16,000**	**-**	**478**	**41,828**	**75,227**
Changes in accounting policy	-	-	-	-	-	-	**-**
AS AT 1/01/2016, AFTER CONVERSION	**1,391**	**15,530**	**16,000**	**-**	**478**	**41,828**	**75,227**
CHANGES IN EQUITY							
Profit and loss for the period	-	-	-	-	-	- 16,240	**- 16,240**
Share issue	110	24,445	-	-	-	-	**24,555**
Exchange differences on translation	-	-	-	-	101	-	**101**
AS AT 12/31/2016	**1,501**	**39,975**	**16,000**	**-**	**579**	**25,588**	**83,643**

Consolidated statement of changes in equity for the period from January 1 to September 30, 2016

FOR THE PERIOD FROM 1/01 TO 9/30/2016	Share capital	Share premium	Reserve capital for the purchase of own shares	Other reserve capitals	Translation losses/profits	Retained earnings	Total equity
AS AT 1/01/2016	**1,391**	**15,530**	**16,000**	**-**	**478**	**41,828**	**75,227**
Changes in accounting policy	-	-	-	-	-	-	**-**
AS AT 1/01/2016, AFTER CONVERSION	**1,391**	**15,530**	**16,000**	**-**	**478**	**41,828**	**75,227**
CHANGES IN EQUITY							
Profit and loss for the period	-	-	-	-	-	- 5,454	**- 5,454**
Exchange differences on translation of foreign operations	-	-	-	-	- 126	-	**- 126**
AS AT 9/30/2016	**1,391**	**15,530**	**16,000**	**-**	**352**	**36,374**	**69,647**

Consolidated cash flow statement for the period from January 1 to September 30, 2017

	for the period from 1/01 to 9/30/2017	for the period from 7/01 to 9/30/2017	for the period from 1/01 to 9/30/2016	for the period from 7/01 to 9/30/2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Gross profit (loss)	**8,024**	**5,751**	**-4,803**	**-2,799**
Total adjustments	**23,382**	**9,817**	**5,210**	**227**
Depreciation	21,490	2,088	6,276	1,627
Impairment loss (reversal)	3,039	3,039	-	-55
Profit (loss) on exchange differences	-	-	-126	-
Interest	305	49	-	-
Credit fee	309	-	-	-
Change in receivables	-2,854	7,030	-774	-2,904
Change in inventory and prepayments	-2,421	898	1,264	-54
Change in trade and other payables	-3,365	-5,740	-538	1,643
Change in employee benefit provisions and liabilities	7,397	2,287	-739	-14
Change in other current assets	-958	-349	479	-17
Tax paid	-806	-513	-632	1
Deferred revenues	1,457	1,039	-	-
Other adjustments	-211	-11	-	-
Net cash flows from operating activities	**31,406**	**15,568**	**407**	**-2,572**
CASH FLOWS FROM INVESTING ACTIVITIES				
Repayment of loans granted	-	-	3	-
Cash outflows on acquisition of property, plant and equipment and intangible assets	-461	-243	-320	-71
Cash outflows on development works	-19,350	-3,630	-19,498	-6,591
Cash outflows on loans granted	-10	-10	-	-
Net cash from investing activities	**-19,821**	**-3,883**	**-19,815**	**-6,662**
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from the issue of shares and other capital instruments	460	-1	-	-
Incurrence of borrowings	9,498	-	14,127	5,009
Repayment of borrowings	-33,415	-14,972	-	-
Repayment of finance lease liabilities	220	220	-	-
Interest	-305	-49	-	-
Other financial outflows	-309	-	-	-
Net cash from financing activities	**-23,851**	**-14,802**	**14,127**	**5,009**
TOTAL NET CASH FLOWS	**-12,266**	**-3,117**	**-5,281**	**-4,225**
EXCHANGE DIFFERENCES ON CASH	-	-		-
BALANCE SHEET CHANGES IN CASH AND CASH EQUIVALENTS	**-12,266**	**-3,117**	**-5,281**	**-4,225**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**25,424**	**16,275**	**7,183**	**6,127**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**13,158**	**13,158**	**1,902**	**1,902**

II. Quarterly abbreviated individual financial statement of CI Games S.A.

Individual statement on the financial situation as at September 30, 2017

	ASSETS	9/30/2017 PLN thousand	6/30/2017 PLN thousand	12/31/2016 PLN thousand	9/30/2016 PLN thousand
A.	**NON-CURRENT ASSETS**	**87,545**	**80,803**	**87,779**	**88,551**
	Property, plant and equipment	963	847	917	831
	Intangible assets	54,535	55,266	58,660	58,987
	Goodwill	-	-	-	-
	Interests in subsidiaries, associates and jointly controlled entities	4,597	4,597	4,597	4,597
	Non-current investments	202	195	184	175
	Property, plant and equipment held for sale	-	-		-
	Deferred income tax assets	27,004	19,608	23,024	23,961
	Other non-current assets	244	290	397	-
B.	**CURRENT ASSETS**	**25,683**	**35,543**	**30,655**	**11,199**
	Inventory	5,700	7,080	3,396	2,899
	Current investments	10	-	16	16
	Advances granted	758	276	638	-
	Trade receivables	4,560	20,523	11,541	4,885
	Income tax receivables	785	268	-	612
	Cash and cash equivalents	11,532	5,395	13,565	1,324
	Other current assets	2,338	2,001	1,499	1,463
TOTAL ASSETS		**113,228**	**116,346**	**118,434**	**99,750**

Individual statement on the financial situation as at September 30, 2017

	LIABILITIES	9/30/2017 PLN thousand	6/30/2017 PLN thousand	12/31/2016 PLN thousand	9/30/2016 PLN thousand
A.	**EQUITY**	**88,396**	**83,873**	**82,823**	**66,482**
	Share capital	1,501	1,501	1,501	1,391
	Share premium	40,428	40,325	39,975	15,530
	Revaluation reserve				
	Exchange differences on translation of foreign operations	-	-		-
	Capital within the Incentive Programme				
	Reserve capital for the acquisition of shares	16,000	16,000	16,000	16,000
	Other reserve capitals	7	111	-	-
	Dividend capital	1,017	1,017	1,017	1,017
	Retained earnings	29,443	24,919	24,330	32,544
	including profit for the period	5,113	589	- 14,390	- 6,176
	Equity attributable to owners of the Parent	**88,396**	**83,873**	**82,823**	**66,482**
	Equity attributable to non-controlling interests	**-**	**-**	**-**	**-**
B.	**LIABILITIES**	**24,832**	**32,473**	**35,611**	**33,268**
	Non-current liabilities	**9,811**	**355**	**2,751**	**2,881**
	Borrowings including credits, loans and other debt instruments	-	-		-
	Provision for retirement and similar benefits	-	-	-	-
	Finance lease liabilities	106	-		-
	Other long-term provisions	210	210	-	-
	Deferred income tax provision	9,495	145	2,751	2,881
	Deferred revenues				-
	Current liabilities	**15,021**	**32,118**	**32,860**	**30,387**
	Borrowings including credits, loans and other debt instruments	97	15,068	24,138	19,804
	Income tax liabilities	3	-	9	-
	Trade liabilities	5,626	11,006	7,999	9,913
	Finance lease liabilities	114	-	-	-
	Financial liabilities	-	-	-	-
	Other liabilities	152	275	323	372
	Other current provisions	7,572	5,351	391	298
	Deferred revenues	1,457	418		-
TOTAL EQUITY AND LIABILITIES		**113,228**	**116,346**	**118,434**	**99,750**

Book value (in PLN thousand)	**88,396**	**83,873**	**82,823**	**66,482**
Number of shares (in thousands)	**150,850**	**150,700**	**15,015**	**13,914**
Book value per share (in PLN)	**0.59**	**0.56**	**5.52**	**4.78**

Individual profit and loss account for the period from January 1 to September 30, 2017

	for the period from 1/01 to 9/30/2017 PLN thousand	for the period from 7/01 to 9/30/2017 PLN thousand	for the period from 1/01 to 9/30/2016 PLN thousand	for the period from 7/01 to 9/30/2016 PLN thousand
Continuing operations				
Net revenue from sales	**82,914**	**17,681**	**14,301**	**4,052**
Revenue from sale of products and services	82,806	17,641	13,949	4,052
Revenue from sale of goods and materials	108	40	352	-
Costs of products, goods and services sold	**- 47,149**	**- 5,629**	**- 11,998**	**- 3,581**
Manufacturing cost of products sold	- 47,028	- 5,573	- 11,758	- 3,581
Value of goods and materials sold	- 121	- 56	- 240	-
Gross profit (loss) on sales	**35,765**	**12,052**	**2,303**	**471**
Other operating revenues	297	- 111	237	27
Selling costs	- 17,951	- 973	- 3,529	- 2,430
General and administrative costs	- 3,776	- 1,108	- 3,647	- 1,249
Other operating expenses	- 4,730	- 3,343	- 1,082	- 251
Profit (loss) on operating activities	**9,605**	**6,517**	**- 5,718**	**- 3,432**
Financial revenues	2,926	2,925	380	- 223
Financial expenses	- 4,652	- 2,963	- 187	- 33
Profit (loss) before tax	**7,879**	**6,479**	**- 5,525**	**- 3,688**
Income tax	- 2,766	- 1,955	- 651	1
Profit (loss) on continuing operations	**5,113**	**4,524**	**- 6,176**	**- 3,687**
Discontinued operations	-	-	-	-
Loss from discontinued operations	**-**	**-**	**-**	**-**
NET PROFIT (LOSS)	**5,113**	**4,524**	**- 6,176**	**- 3,687**
Total other comprehensive income, including:				
Exchange differences on translation of foreign operations	**-**	**-**	-	**-**
TOTAL INCOME FOR THE FINANCIAL YEAR	**5,113**	**4,524**	**- 6,176**	**- 3,687**
Net profit (loss) in thousands of PLN	**5,113**	**4,524**	**-6,176**	**-3,687**
Number of shares (in thousands)	**150,850**	**150,850**	**13,914**	**13,914**
Profit (loss) per ordinary share (in PLN)	**0.03**	**0.03**	**-0.44**	**-0.26**

Individual statement of changes in equity for the period from January 1 to September 30, 2017

FOR THE PERIOD FROM 1/01 TO 9/30/2017	Share capital	Share premium	Reserve capital for the purchase of own shares	Other reserve capitals	Dividend capital	Retained earnings	Total equity
AS AT 1/01/2017	**1,501**	**39,975**	**16,000**	**-**	**1,017**	**24,330**	**82,823**
Changes in accounting policy	-	-	-		-	-	**-**
AS AT 1/01/2017, AFTER CONVERSION	**1,501**	**39,975**	**16,000**	**-**	**1,017**	**24,330**	**82,823**
CHANGES IN EQUITY							
Profit and loss for the period	-	-	-		-	5,113	**5,113**
Share issue		453	-	7	-	-	**460**
AS AT 9/30/2017	**1,501**	**40,428**	**16,000**	**7**	**1,017**	**29,443**	**88,396**

Individual statement of changes in equity for the period from January 1 to December 31, 2016

FOR THE PERIOD FROM 1/01 TO 12/31/2016	Share capital	Share premium	Reserve capital for the purchase of own shares	Other reserve capitals	Dividend capital	Retained earnings	Total equity
AS AT 1/01/2016	**1,391**	**15,530**	**16,000**	**-**	**1,017**	**38,720**	**72,658**
Changes in accounting policy	-	-	-	-	-	-	**-**
AS AT 1/01/2016, AFTER CONVERSION	**1,391**	**15,530**	**16,000**	**-**	**1,017**	**38,720**	**72,658**
CHANGES IN EQUITY							
Share issue	110	24,445	-	-	-	-	**24,555**
Profit and loss for the period	-	-	-		-	- 14,390	**- 14,390**
AS AT 12/31/2016	**1,501**	**39,975**	**16,000**	**-**	**1,017**	**24,330**	**82,823**

Individual statement of changes in equity for the period from January 1 to September 30, 2016

FOR THE PERIOD FROM 1/01 TO 9/30/2016	Share capital	Share premium	Reserve capital for the purchase of own shares	Other reserve capitals	Dividend capital	Retained earnings	Total equity
AS AT 1/01/2016	**1,391**	**15,530**	**16,000**	**-**	**1,017**	**38,720**	**72,658**
Changes in accounting policy							**-**
AS AT 1/01/2016, AFTER CONVERSION	**1,391**	**15,530**	**16,000**	**-**	**1,017**	**38,720**	**72,658**
CHANGES IN EQUITY							
Profit and loss for the period						- 6,176	**- 6,176**
AS AT 9/30/2016	**1,391**	**15,530**	**16,000**	**-**	**1,017**	**32,544**	**66,482**

Individual cash flow statement for the period from January 1 to September 30, 2017

	for the period from 1/01 to 9/30/2017	for the period from 7/01 to 9/30/2017	for the period from 1/01 to 9/30/2016	for the period from 7/01 to 9/30/2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Gross profit (loss)	**7,878**	**6,478**	**- 5,525**	**- 3,688**
Total adjustments	**33,914**	**18,348**	**6,220**	**1,634**
Depreciation	21,490	2,088	6,276	1,627
Impairment loss (reversal)	2,416	2,400	-	-
Profit (loss) on exchange differences	5	- 4	- 1	4
Interest	312	53	- 2	- 1
Credit fee	309	-	-	-
Change in receivables	6,981	15,963	- 1,531	- 1,682
Change in inventory and prepayments	- 2,424	898	1,434	34
Change in trade and other payables	- 2,544	- 5,503	597	2,704
Change in employee benefit provisions and liabilities	7,391	2,221	- 792	- 942
Change in other current assets	- 686	- 291	236	- 110
Tax paid	- 791	- 514	3	-
Deferred revenues	1,457	1,039	-	-
Other adjustments	- 2	- 2	-	-
Net cash flows from operating activities	**41,792**	**24,826**	**695**	**- 2,054**
CASH FLOWS FROM INVESTING ACTIVITIES				
Repayment of loans granted	-	-	3	-
Cash outflows on acquisition of property, plant and equipment and intangible assets	- 461	- 243	- 320	- 71
Cash outflows on development works	- 19,350	- 3,630	- 19,499	- 6,592
Cash outflows on loans granted	- 33	- 14	- 37	-
Net cash from investing activities	**- 19,844**	**- 3,887**	**- 19,853**	**- 6,663**
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from the issue of shares and other capital instruments	460	- 1	-	-
Incurrence of borrowings	9,498	-	14,127	5,009
Repayment of borrowings	- 33,545	- 14,972	-	-
Repayment of finance lease liabilities	220	220	-	-
Interest	- 305	- 49	-	-
Other financial outflows	- 309	-	-	-
Net cash from financing activities	**- 23,981**	**- 14,802**	**14,127**	**5,009**
TOTAL NET CASH FLOWS	**- 2,033**	**6,137**	**- 5,031**	**- 3,708**
EXCHANGE DIFFERENCES ON CASH	-	-	-	-
BALANCE SHEET CHANGES IN CASH AND CASH EQUIVALENTS	**- 2,033**	**6,137**	**- 5,031**	**- 3,708**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**13,565**	**5,395**	**6,355**	**5,032**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**11,532**	**11,532**	**1,324**	**1,324**

III. 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 9/30/2017	4.3091
- as at 12/31/2016	4.4240
- as at 9/30/2016	4.3120

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 the 3rd quarter of 2017	4.2566
- for 2016	4.3757
- for the 3rd quarter of 2016	4.3688

CONSOLIDATED DATA

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	for the period from 1/01 to 9/30/2017		for the period from 1/01 to 9/30/2016	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Net revenue from sales	**90,863**	**21,346**	**17,733**	**4,059**
Profit (loss) from operating activities	9,481	2,227	-4,926	-1,128
Gross profit (loss)	8,024	1,885	-4,803	-1,099
Net profit (loss)	**5,246**	**1,232**	**-5,454**	**-1,248**
Number of shares (in thousands)	150,850	150,850	13,914	13,914
Profit (loss) per ordinary share (PLN/share)	0.03	0.01	-0.39	-0.09

CONSOLIDATED STATEMENT OF CASH FLOWS	for the period from 1/01 to 9/30/2017		for the period from 1/01 to 9/30/2016	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Net cash flows from operating activities	31,406	7,378	408	93
Net cash flows from investing activities	-19,821	-4,657	-19,815	-4,536
Net cash flows from financing activities	-23,851	-5,603	14,127	3,234
Net cash flows	**-12,266**	**-2,882**	**-5,280**	**-1,209**

CONSOLIDATED BALANCE SHEET	9/30/2017		12/31/2016		9/30/2016	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Non-current assets	82,746	19,203	83,648	18,908	84,426	19,579
Current assets	29,109	6,755	34,194	7,729	13,029	3,022
Total assets	**111,855**	**25,958**	**117,842**	**26,637**	**97,455**	**22,601**
Equity	89,140	20,686	83,643	18,907	69,647	16,152
Share capital	*1,501*	*348*	*1,501*	*339*	*1,391*	*323*
Liabilities	**22,715**	**5,271**	**34,199**	**7,730**	**27,808**	**6,449**
Non-current liabilities	9,812	2,277	2,751	622	2,881	668
Current liabilities	12,903	2,994	31,448	7,108	24,927	5,781
Total equity and liabilities	**111,855**	**25,958**	**117,842**	**26,637**	**97,455**	**22,601**

SEPARATE DATA

SEPARATE STATEMENT OF PROFIT AND LOSS	for the period from 1/01 to 9/30/2017		for the period from 1/01 to 9/30/2016	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Net revenue from sales	**82,914**	**19,479**	**14,301**	**3,273**
Profit (loss) from operating activities	9,605	2,256	-5,718	-1,309
Gross profit (loss)	7,879	1,851	-5,525	-1,265
Net profit (loss)	**5,113**	**1,201**	**-6,176**	**-1,414**
Number of shares (in thousands)	150,850	150,850	13,914	13,914
Profit (loss) per ordinary share (PLN/share)	0.03	0.01	-0.44	-0.10

SEPARATE STATEMENT OF CASH FLOWS	for the period from 1/01 to 9/30/2017		for the period from 1/01 to 9/30/2016	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Net cash flows from operating activities	41,792	9,818	695	159
Net cash flows from investing activities	-19,844	-4,662	-19,853	-4,544
Net cash flows from financing activities	-23,981	-5,634	14,127	3,234
Net cash flows	**-2,033**	**-478**	**-5,031**	**-1,152**

INDIVIDUAL BALANCE SHEET	9/30/2017		12/31/2016		9/30/2016	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Non-current assets	87,545	20,316	87,779	19,842	88,551	20,536
Current assets	25,683	5,960	30,655	6,929	11,199	2,597
Total assets	**113,228**	**26,276**	**118,434**	**26,771**	**99,750**	**23,133**
Equity	88,396	20,514	82,823	18,721	66,482	15,418
Share capital	*1,501*	*348*	*1,501*	*339*	*1,391*	*323*
Liabilities	**24,832**	**5,763**	**35,611**	**8,050**	**33,268**	**7,715**
Non-current liabilities	9,811	2,277	2,751	622	2,881	668
Current liabilities	15,021	3,486	32,860	7,428	30,387	7,047
Total equity and liabilities	**113,228**	**26,276**	**118,434**	**26,771**	**99,750**	**23,133**

IV. NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1/01/2017 TO 9/30/2017

1. Basis for presentation and preparation of the financial statements

a) The financial statements cover the period from 1/01/2017 to 9/30/2017. Comparative data covers the period from 1/01/2016 to 9/30/2016 and from 1/01/2016 to 12/31/2016, as well as at 6/30/2017, 12/31/2016 and 9/30/2016 (balance sheet).

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.

2. 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 1/01/2017 to 9/30/2017 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 January 1, 2007.

b) Basis for preparing the consolidated financial statements

Figures in the consolidated financial statements are given in Polish zloty, 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 rational 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 operations 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 operations, 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 hereunder, 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 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 financing, 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 and depreciated as a separate asset.

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 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 development 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 appropriate 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 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.

(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 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 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. The Group makes valuation 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 (IAS 2).

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 impairment loss on inventory resulting from an increase in the net recoverable value is recognized as a decrease in inventory recognized as other operating cost which the impairment 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) 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. Companies create provisions when all of the following conditions are met simultaneously:

- the companies are burdened with an existing 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 trade and account balances should be reconciled, and potential adjustments should be included in the accounts, including in the 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 this fact, the occurrence of due payables 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 collectability of an amount due which is already counted as revenue, then the uncollectible amount in relation to which achievement has ceased to be probable is recognized as costs and not as a correction 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) 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 as the basis 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 the end of the reporting period, 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,
- geographical – covering sales divided into the following areas: Europe, North America, and Asia and Australia.

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 and materials includes sale of products which were purchased and are held in a non-processed form for resale, 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 as 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.

3. 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 previous generation platforms (PlayStation®3 and Xbox360®) and for the current generation (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.

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

Composition of the CI Games Capital Group as at Saturday, September 30, 2017:

- **CI Games S.A.** with its registered office in Warsaw. Share capital: PLN 1,501,499.90. Parent company.
- **CI Games USA Inc.** having its registered office in Delaware, U.S. Share capital of USD 50,000. 100% of shares held by CI Games S.A.
- **CI Games Germany GmbH in liquidation** having its registered office in Frankfurt am Main, Germany. Share capital of EUR 25,000. 100% of shares held by CI Games S.A. The company was put into liquidation in Q4 2015.
- **Business Area Spółka z o.o.** company headquartered in Warsaw, Poland. Share capital: PLN 5,000. 100% of shares held by CI Games S.A.
- **Business Area Spółka z o.o. sp.j.** having its registered office in Warsaw, Poland; transformed from Business Area Sp. z o.o. S.K.A. with its seat in Warsaw. 99.99% of shares held by CI Games S.A.
- **CI Games S.A. sp.j.** a company headquartered in Warsaw, Poland; transformed from CI Games IP Sp. z o.o. 0.01% of shares held by CI Games S.A., 99.99% of shares held by Business Area Spółka z o.o.
- **CI Games Cyprus Ltd.** headquartered in Nicosia, Cyprus. Share capital: EUR 1,200. 100% of shares held by CI Games S.A.

5. Indication of shareholders directly or indirectly through subsidiaries holding at least 5% of total votes at the Parent's General Meeting as at the date of publishing the quarterly report.

The total number of votes at the Parent's General Meeting, CI Games S.A., amounted to 150,849,990 votes as at September 30, 2017. As at September 30, 2017, the general number of shares in CI Games S.A. amounted to 150,849,990.

The shareholding of CI Games S.A. as at September 30, 2017 is as follows:

Item	Number of shares	% in share capital	Number of votes at GSM	% of votes at GSM
Marek Tymiński	59,663,570	39.55%	59,663,570	39.55%
TFI PZU Spółka Akcyjna	11,133,010	7.38%	11,133,010	7.38%
Other	80,053,410	53.07%	80,053,410	53.07%
Total:	**150,849,990**	**100%**	**150,849,990**	**100%**

After September 30, 2017, due to continued issue of series F shares within the Incentive Programme at CI Games S.A., changes in the shareholding structure of CI Games S.A. occurred. As at the day of the periodic report for the 3rd quarter of 2017, the general number of shares and general number of votes at CI Games S.A. amounts to 151,069,990. Shareholder – Marek Tymiński – as at November 22, 2017, holds 59,663,570 shares (59,663,570 votes during the GMS) which amount to 39.49% in the share capital of CI Games S.A. and 39.49% in the general number of votes at CI Games S.A.

6. Presentation of shareholdings in CI Games S.A. or right to shares by the Issuer's management or supervisory personnel as at the date of publishing the quarterly report.

Person	Position	As at 1/01/2017 (balance sheet date)	Increase in shareholding during the period from 1/01/2017 to 9/30/2017	Decrease in shareholding during the period from 1/01/2017 to 9/30/2017	As at 11/22/2017 (report publication date)
Monika Rumianek	CI GAMES S.A. Management Board Member	0	150,000	0	150,000

7. Description of significant achievements or set-backs in Q3 2017 and events impacting its financial results

A description of events which could have a significant impact on the Issuer's future financial results may be found in points 19 and 20 of this report.

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

At the end of the 3rd quarter of 2017, the revenues from sale amounted to PLN 90.9 million, which is mainly due to the sale of Sniper Ghost Warrior 3 game.

	for the period from 1/01 to 9/30/2017 PLN thousand	for the period from 1/01 to 9/30/2016 PLN thousand
Continuing operations		
Net revenue from sales	**90,863**	**17,733**
Costs of products, goods and services sold	**- 47,067**	**- 11,903**
Gross profit (loss) on sales	**43,796**	**5,830**
Other operating revenues	1,751	274
Selling costs	- 25,688	- 5,310
General and administrative costs	- 4,407	- 4,636
Other operating expenses	- 5,971	- 1,084
Profit (loss) on operating activities	**9,481**	**- 4,926**
Financial revenues	2,928	310
Financial expenses	- 4,385	- 187
Profit (loss) before tax	**8,024**	**- 4,803**
Income tax	- 2,778	- 651
Profit (loss) on continuing operations	**5,246**	**- 5,454**
Discontinued operations		-
NET PROFIT (LOSS)	**5,246**	**- 5,454**

During the reported period, administrative expenses were PLN 4.4 million and are similar to administrative expensed from Q3 of the previous FY (PLN 4.6 million). Sales costs reached PLN 25.7 million and when compared with the Q3 of the previous FY they increased almost fivefold in relation to the promotional activities for the game Sniper Ghost Warrior 3.

	ASSETS	9/30/2017 PLN thousand	12/31/2016 PLN thousand
A.	**NON-CURRENT ASSETS**	**82,746**	**83,648**
	Intangible assets	54,535	59,299
	Deferred income tax asset	27,004	23,035
B.	**CURRENT ASSETS**	**29,109**	**34,194**
	Trade receivables	5,544	2,690
	Cash and cash equivalents	13,158	25,424
	Other current assets	3,132	2,021
TOTAL ASSETS		**111,855**	**117,842**

	LIABILITIES	9/30/2017 PLN thousand	12/31/2016 PLN thousand
A.	**EQUITY**	**89,140**	**83,643**
B.	**LIABILITIES**	**22,715**	**34,199**
	Current liabilities	**12,903**	**31,448**
	Borrowings including credits, loans and other debt instruments	0	23,917
	Trade liabilities	3,316	6,507
TOTAL EQUITY AND LIABILITIES		**111,855**	**117,842**

The CI Games Capital Group's carrying amount as at September 30, 2017 was PLN 111.9 million and decreased when compared to December 31, 2016 by 5%. Trade receivables increased – by PLN 2.9 million, as well as deferred income tax assets – by PLN 4.0 million and other current assets – by PLN 1.1 million.

The Group's equity as at September 30, 2017, was PLN 89.1 M, which constitutes a PLN 5.5 M increase in relation to December 31, 2016. The Group credit liabilities decreased and are currently PLN 0, due to the fact that the company paid the credit contracted in PKO BP.

	for the period from 1/01 to 9/30/2017
Gross profit (loss)	**8,024**
Net cash flows from operating activities	**31,406**
Net cash from investing activities	**- 19,821**
Net cash from financing activities	**- 23,851**
TOTAL NET CASH FLOWS	**- 12,266**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**25,424**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**13,158**

As at Saturday, September 30, 2017, the Group held PLN 13.2 M in cash and cash equivalents (a decrease of PLN 12.3 M in comparison to Saturday, December 31, 2016). In the reported period, the Group generated positive cash flows from operating activities, amounting to PLN 31.4 million. The Group also incurred PLN 19.8 million in capital expenditure, comprising finance for new game development.

Sales structure	Q3 OF 2017	Q3 OF 2016
Console games	76%	74%
PC games	23%	26%
Games for mobile platforms	1%	0%

Console games continue to account for the largest share of the Group's sales (76%). In the reporting period, the share of PC games sold decreased in the total revenue from sale and reached 23%.

Sales structure	Q3 OF 2017	Q3 OF 2016
PS3/PS4	48%	34%
XBOX/XONE	28%	39%
PC	23%	26%
Android/iOS	1%	0%

In the console games category, the Group increased the share of games designed for PS3/PS4 in the revenue from sale from 34% to 48%. This is due to the decrease of share of games designed for XBOX/XONE and PC.

Sales channel	Q3 OF 2017	Q3 OF 2016
Online sales	74%	69%
Box sale	26%	31%

In the Q3 of 2017 there was an increase in customers' interest in the online sale as compared with the Q3 of 2016 at the expense of box sales.

Geographical structure	as at 9/30/2017	as at 9/30/2015
Country	2,205	362
- including from related parties	2,097	324
Export	88,658	17,371
- including from related parties	29,228	4,755
Total income	**90,863**	**17,733**
Europe	32,652	5,340
North America	49,937	12,321
Asia and Australia	8,275	72
Total	**90,863**	**17,733**

In 2017, the U.S. accounted for the largest share in Group sales – 55%. The second key market within the Group's geographical sales structure was Europe with 36%. During the reporting period, the Group recorded significant sale revenue in the Asia and Australia region. The share of this region amounted to 9%.

Revenue from sale and margins in specific product segments during the current period are presented below.

Consolidated data for the segments in the period from January 1 to September 30, 2017 (data in thousands PLN)

FOR THE PERIOD FROM 1/01 TO 9/30/2017	Own products	Licenses	Other sales	Total
	74%	**26%**	**0%**	**100%**
Total revenue (A)	**66,918**	**23,840**	**105**	**90,863**
Total direct costs (B), including:	**-34,527**	**-12,419**	**-121**	**-47,067**
Depreciation	-15,827	-5,638	-25	**-21,490**
Financial revenue / costs	-1,073	-382	-2	**-1,457**
Income tax	-2,046	-729	-3	**-2,778**
Net profit (loss) for the financial year	**3,864**	**1,376**	**6**	**5,246**
Result (A+B)	32,391	11,421	-16	**43,796**
% margin	**48%**	**48%**	**-16%**	**48%**

The margin, calculated as gross profit on sales over total sales revenue was 48% in Q3 2017.

Estimated amounts as at Saturday, September 30, 2017

Estimates	CI Games S.A.	Capital Group
	As at 9/30/2017	As at 9/30/2017
Receivables impairment	1,467	1,848
Inventory impairment	101	101
Provision for retirement and similar benefits	-	-
Deferred income tax provision	9,495	9,496
Provision for costs and liabilities	5,464	5,808
TOTAL	**16,527**	**17,252**
Net revenue provision for returns and adjustments	10,957	10,957

9. 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.

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

The Issuer's Management Board has no information concerning any proceedings in progress against it or its subsidiaries, the value of which (separately or jointly) exceeds 10% of the Issuer's equity.

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

LIABILITIES AS AT Q2 2017

As at Saturday, September 30, 2017, the Parent held the following contingent liabilities:

- a bank guarantee issued by Powszechna Kasa Oszczędności Bank Polski S.A. on May 5, 2016, up to the amount of PLN 433,816.66 for Bertie Investment Sp. z o.o. concerning the lease of the office space at ul. Puławska 182. The guarantee is valid until December 25, 2018.
- blank promissory note together with promissory note declaration issued on May 5, 2016, for collateral of receivables of Powszechna Kasa Oszczędności Bank Polski S.A. due to implementation of bank guarantee.

The Group does not have any other contingent liabilities.

12. 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, 2017, to September 30, 2017, 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.

13. 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 non-equity instruments.

During the reporting period, the Issuer continued the issue of ordinary bearer series F shares, issued within the conditional increase of share capital of the Issuer, due to the Incentive Programme adopted by way of a resolution no. 17/2015 of the Ordinary General Meeting of Shareholders of CI Games S.A. of April 28, 2015. The nominal value of one series F share is PLN 0.01 and the issue price is PLN 0.70. All series F shares issued so far are dematerialised.

In the period from January 1, 2017 to September 30, 2017, in total 760,000 series F shares were issued.

As at the day of this report, the Issuer issued in total 920,000 series F shares, and all shares were introduced to trade on regulated market run by Giełda Papierów Wartościowych w Warszawie S.A.

14. 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

The CI Games Capital Group's organizational structure did not change during the reporting period.

15. 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.

16. 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.

17. 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.

18. 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 forecasts concerning the CI Games Capital Group's consolidated results other than those presented in this report.

As at October 18, 2017, by way of current report no. 62/2017, the Issuer's Management Board provided estimated consolidated results of CI Games Capital Group for Q3 and 9 months of 2017.
Comparison of the results presented in this current report with estimated results provided on October 18, 2017, by way of the abovementioned report shows that the Management's estimates were correct. Three out of four items covered by the estimate within the consolidated financial results of CI Games capital group for the Q3 and 9 months of 2017 overlap with the results presented in this report, and only one of the items covered by this estimate is slightly different from the item presented in this report (by less than 10%), that is the estimated net profit for Q3 of 2017 was PLN 3.6 million, while the net profit for Q3 of 2017 presented in this report is PLN 3.75 million, and similarly, estimated net profit for 9 months of 2017 was PLN 5.1 million, while net profit for 9 months of 2017 presented in this report was PLN 5.2 million.

19. 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 were no such events.

20. 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

CONTENT FROM THE REPORT FOR Q3 2016

The sale of Sniper Ghost Warrior 3 game is stable and exceeds the expectations of the Management assumed after the release. The Company started subsequent production of games on physical carriers due to additional orders from main markets – from American and European markets.

In case of Sniper Ghost Warrior 3 game, increased sales from digital channels in the upcoming quarters are expected, which will translate into the increase of margin and improvement of profitability. In the video games sector, we can observe the increase of digital distribution share in the whole sale structure. Due to the above, CI Games tries to be present during all key promotions implemented via main sales platforms: PSN, Xbox Store, STEAM and other digital stores.

CI Games is in the final stage of production of multiplayer mode for Sniper Ghost Warrior 3. Multiplayer mode will be shared with the players by the end of 2017.

In July 2017, the company started working on another tactical game in the action games segment, where – so far – it has been commercially successful. The pre-production was finished and currently the project entered the production stage. The game is produced by the internal CI Games studio with the support of external companies, including Studio Virtuos, having global experience and vast competences in production AAA segment games. Financing of the new production is planned by way of own resources and bank credits.

Notwithstanding the above, CI Games plans a parallel production of the second installment of Lords of the Fallen. Currently advanced negotiations with potential partners are taking place, who will be entrusted with the game production. The Company plans to start the production of Lords of the Fallen 2 in the Q1 or Q2 of 2018.

MANAGEMENT BOARD:

Marek Tymiński	**Monika Rumianek**	**Maciej Nowotny**
Management Board President	Management Board Member	Management Board Member

Warsaw, 11/22/2017