



GAMES



**CAPITAL GROUP**  
**CI GAMES**

Quarterly financial report for the period from 1st July to 30 September 2023

Warsaw, 28 November 2023

## SELECTED FINANCIAL INFORMATION

Profit and Loss Accounts	for the period from 1.01 to 30.09.2023		for the period from 1.01 to 30.09.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Net revenue from sales	52,718	11,517	36,363	7,757
Profit (loss) from operating activities	(3,066)	(670)	6,537	1,394
Gross profit (loss)	(6,196)	(1,354)	9,761	2,082
<b>Net profit (loss)</b>	<b>(5,030)</b>	<b>(1,099)</b>	<b>9,342</b>	<b>1,993</b>
Weighted average number of shares (in thousands)	182,943	182,943	182,943	182,943
Profit (loss) per ordinary share (PLN/share)	(0.03)	(0.01)	0.05	0.01

Statement of cash flow	for the period from 1.01 to 30.09.2023		for the period from 1.01 to 30.09.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Net cash flows from operating activities	27,178	5,938	28,541	6,088
Net cash flows from investing activities	(69,728)	(15,233)	(58,717)	(12,525)
Net cash flows from financing activities	48,738	10,648	3,369	719
<b>Net cash flows</b>	<b>6,188</b>	<b>1,352</b>	<b>(26,807)</b>	<b>(5,718)</b>

Balance sheet	as of 30.09.2023		as of 31.12.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Non-current assets	221,474	47,777	158,466	33,789
Current assets	45,889	9,899	20,795	4,434
<b>Total assets</b>	<b>267,363</b>	<b>57,676</b>	<b>179,261</b>	<b>38,223</b>
Equity	142,986	30,845	142,217	30,324
Initial capital	1,829	395	1,829	390
<b>Liabilities</b>	<b>124,377</b>	<b>26,831</b>	<b>37,044</b>	<b>7,899</b>
Non-current liabilities	2,219	479	4,644	990
Current liabilities	122,158	26,352	32,400	6,908
<b>Total equity and liabilities</b>	<b>267,363</b>	<b>57,676</b>	<b>179,261</b>	<b>38,223</b>

The balance sheet data has been converted using the average rate of exchange published by the President of the National Bank of Poland as of the date of presentation of the financial statements, which, as of the balance sheet date, amounted to:

- as of 30.09.2023 - 4.6356 PLN/EUR
- as of 30.09.2022 – 4.6525 PLN/EUR
- as of 31.12.2022 - 4.6899 PLN/EUR

Data in the profit and loss account and the cash flow statement has been converted to EUR according to the exchange rate determined as the arithmetic mean of exchange rates published by the President of the National Bank of Poland as of the last day of each month of the period:

- for the nine months of 2023 - 4.5773 PLN/ EUR
- for the nine months of 2022 - 4.6880 PLN/ EUR

## CONTENT

I.	KEY FINANCIAL DATA OF CI GAMES CAPITAL GROUP.....	4
II.	KEY BASIC INFORMATION ABOUT CI GAMES CAPITAL GROUP .....	9
III.	FINANCIAL INFORMATION TO THE QUARTERLY REPORT .....	13
IV.	OTHER INFORMATION RELATED TO THE QUARTERLY REPORT.....	26
V.	QUARTERLY STANDALONE FINANCIAL STATEMENTS OF GAMES SE.....	39



# I. KEY FINANCIAL DATA OF CI GAMES CAPITAL GROUP

## CONSOLIDATED STATEMENT OF FINANCIAL CONDITIONS

ASSETS	as of 30.09.2023	as of 30.06.2023	as of 31.12.2022	as of 30.09.2022
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Non-current assets</b>	<b>221,474</b>	<b>203,439</b>	<b>158,466</b>	<b>140,269</b>
Property, plant and equipment	1,481	1,501	1,528	1,618
Intangible assets	211,467	197,131	152,044	131,657
Right-to-use asset	2,512	2,747	3,397	3,646
Long term investments	-	-	-	-
Deferred tax asset	5,473	1,568	1,017	2,873
Long term receivables	541	492	480	475
<b>Current assets</b>	<b>45,889</b>	<b>17,123</b>	<b>20,795</b>	<b>28,910</b>
Inventory	8,906	1,207	1,171	1,898
Current investments	-	-	346	65
Trade and other receivables	24,138	10,445	12,242	11,298
Tax receivables	11	588	418	4,536
Cash and cash equivalents	12,834	4,883	6,618	11,113
<b>Current assets other than assets or disposal classified as held for sales or as held for distribution to owners</b>	<b>45,889</b>	<b>17,123</b>	<b>20,795</b>	<b>28,910</b>
<b>Non-current assets classified as held for sale or as held for distribution to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>267,363</b>	<b>220,562</b>	<b>179,261</b>	<b>169,179</b>
<b>LIABILITIES &amp; EQUITY</b>	<b>as of 30.09.2023</b>	<b>as of 30.06.2023</b>	<b>as of 31.12.2022</b>	<b>as of 30.09.2022</b>
	<b>PLN'000</b>	<b>PLN'000</b>	<b>PLN'000</b>	<b>PLN'000</b>
	<b>142,986</b>	<b>141,323</b>	<b>142,217</b>	<b>142,287</b>
Share capital	1,829	1,829	1,829	1,829
Share premium	78,653	78,653	78,653	78,653
Other reserve capital	23,346	20,454	18,203	17,369
Retained earnings	36,999	38,558	42,128	43,170
including profit for the period	(5,129)	(3,570)	8,196	9,238
<b>Equity attributable to owners of the Parent</b>	<b>140,827</b>	<b>139,494</b>	<b>140,813</b>	<b>141,021</b>
<b>Equity attributable to non-controlling interests</b>	<b>2,159</b>	<b>1,829</b>	<b>1,404</b>	<b>1,266</b>
<b>LIABILITIES</b>	<b>124,377</b>	<b>79,239</b>	<b>37,044</b>	<b>26,892</b>
<b>Non-current liabilities</b>	<b>2,219</b>	<b>3,484</b>	<b>4,644</b>	<b>5,745</b>
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	1,719	1,916	2,783	3,202
Deferred income tax provision	500	1,568	1,861	2,543
<b>Current liabilities</b>	<b>122,158</b>	<b>75,755</b>	<b>32,400</b>	<b>21,147</b>
Borrowings including credits, loans and other debt instruments	72,022	48,209	18,575	4,305
Income tax liabilities	4,321	64	66	104
Trade liabilities and other liabilities	41,734	23,955	11,641	12,118
Finance lease liabilities	1,102	1,068	1,219	1,276
Other current provisions	2,979	2,459	899	3,344
<b>Current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>122,158</b>	<b>75,755</b>	<b>32,400</b>	<b>21,147</b>
<b>Liabilities included in disposal groups classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>267,363</b>	<b>220,562</b>	<b>179,261</b>	<b>169,179</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNT AND COMPREHENSIVE INCOME

Statement of comprehensive income	for the period from 1.01 to 30.09.2023	for the period from 1.07 to 30.09.2023	for the period from 1.01 to 30.09.2022	for the period from 1.07 to 30.09.2022
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Continuing operations</b>				
<b>Net revenue from sales</b>	<b>52,718</b>	<b>36,078</b>	<b>36,363</b>	<b>9,339</b>
<b>Costs of products, goods and services sold</b>	<b>(23,375)</b>	<b>(17,961)</b>	<b>(8,547)</b>	<b>(2,882)</b>
<b>Gross profit (loss) on sales</b>	<b>29,343</b>	<b>18,117</b>	<b>27,816</b>	<b>6,457</b>
Other operating revenues	74	15	129	82
Selling costs	(17,686)	(10,702)	(9,531)	(6,497)
General and administrative costs	(13,037)	(4,618)	(11,540)	(4,502)
Other operating expenses	(152)	(51)	(341)	(89)
Impairment loss/impairment gain and reversal of impairment loss	(1,608)	(722)	4	-
<b>Profit (loss) on operating activities</b>	<b>(3,066)</b>	<b>2,039</b>	<b>6,537</b>	<b>(4,549)</b>
Financial revenues	110	(1,570)	3,762	1,167
Financial expenses	(3,240)	(2,210)	(538)	(366)
<b>Profit (loss) before tax</b>	<b>(6,196)</b>	<b>(1,741)</b>	<b>9,761</b>	<b>(3,748)</b>
Income tax	1,166	404	(419)	145
<b>Profit (loss) on continuing operations</b>	<b>(5,030)</b>	<b>(1,337)</b>	<b>9,342</b>	<b>(3,603)</b>
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>(5,030)</b>	<b>(1,337)</b>	<b>9,342</b>	<b>(3,603)</b>
<b>Total other comprehensive income, including:</b>				
<b>Total income for the financial year</b>	<b>(5,030)</b>	<b>(1,337)</b>	<b>9,342</b>	<b>(3,603)</b>
Weighted average diluted number of shares (in thousands)	182,943	182,943	182,943	182,943
Number of diluted shares (thousand units)	189,750	192,269	185,836	186,836
Basic earnings/loss per share (PLN)	(0.03)	(0.01)	0.05	(0.02)
Diluted earnings/loss per share (PLN)	(0.03)	(0.01)	0.05	(0.02)

## CONSOLIDATED CASH FLOW STATEMENT

### (indirect method)

	for the period from 1.01 to 30.09.2023	for the period from 1.07 to 30.09.2023	for the period from 1.01 to 30.09.2022	for the period from 1.07 to 30.09.2022
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Cash flows from operating activities</b>				
<b>Gross profit (loss)</b>	<b>(4,970)</b>	<b>(1,537)</b>	<b>9,656</b>	<b>(3,865)</b>
<b>Total adjustments</b>	<b>32,706</b>	<b>10,900</b>	<b>19,336</b>	<b>17,174</b>
Depreciation and amortization	11,509	7,313	5,925	1,630
Impairment loss (reversal)	1,549	683	180	52
Profit (loss) on foreign exchange differences	1,820	3,056	(386)	(653)
Adjustments to finance cost /income	2,173	1,432	224	68
Profit (loss) on sales of fixed assets	(1)	-	(45)	(45)
Change in trade and other receivables	(13,525)	(14,424)	7,321	12,372
Change in inventories	(7,715)	(7,699)	528	230
Change in trade and other payables	29,992	17,677	7,394	6,064
Change in provisions	6,904	2,862	495	(244)
Other adjustments	-	-	(2,300)	(2,300)
<b>Net cash flows from operating activities</b>	<b>27,736</b>	<b>9,363</b>	<b>28,992</b>	<b>13,309</b>
Paid corporate income tax (return) related to operating activity	(558)	169	(451)	(305)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (used in the operating activity)</b>	<b>27,178</b>	<b>9,532</b>	<b>28,541</b>	<b>13,004</b>
<b>Cash flows from investing activities</b>				
Repayment of loans granted	-	-	-	-
Cash inflows on disposal of property, plant and equipment and intangible assets	2	-	53	53
Cash outflows on acquisition of property, plant and equipment and intangible assets	(69,730)	(21,120)	(58,770)	(23,804)
Cash outflows on acquisition of financial assets	-	-	-	-
Cash outflows on loans granted	(69,728)	(21,120)	(58,717)	(23,751)
<b>Cash flows from financing activities</b>				
Net proceeds from the issue of shares and other capital instruments	-	-	-	-
Inflows from loans	24,581	(6,195)	4,292	4,292
Repayment of loans	(2)	-	-	13
Repayment of finance lease liabilities	(869)	(284)	(699)	(346)
Interest	(1,538)	(626)	(58)	(30)
Other financial outflows	26,566	26,654	(166)	(38)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>48,738</b>	<b>19,549</b>	<b>3,369</b>	<b>3,891</b>
<b>TOTAL NET CASH FLOWS</b>	<b>6,188</b>	<b>7,961</b>	<b>(26,807)</b>	<b>(6,856)</b>
Exchange differences on cash	28	(10)	77	252
Balance sheet changes in cash and cash equivalents	6,216	7,951	(26,730)	(6,604)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,618</b>	<b>4,883</b>	<b>37,843</b>	<b>17,717</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12,834</b>	<b>12,834</b>	<b>11,113</b>	<b>11,113</b>

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the period from 01.01. to 30.09.2023	Share capital	Share premium	Other reserve capital	Retained earnings	Equity attributable to owners of parent	Non controlling interest	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As of 01.01.2023</b>	<b>1,829</b>	<b>78,653</b>	<b>18,203</b>	<b>42,128</b>	<b>140,813</b>	<b>1,404</b>	<b>142,217</b>
<b>As of 01.01.2023, upon conversion</b>	<b>1,829</b>	<b>78,653</b>	<b>18,203</b>	<b>42,128</b>	<b>140,813</b>	<b>1,404</b>	<b>142,217</b>
Profit (loss) for the period	-	-	-	(5,129)	(5,129)	755	(4,374)
Increase (decrease) as the result of other changes in equity	-	-	(167)	-	(167)	-	(167)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(167)</b>	<b>(5,129)</b>	<b>(5,296)</b>	<b>755</b>	<b>(4,541)</b>
Increase (decrease) as the result of other changes in equity	-	-	485	-	485	-	485
Issue of shares	-	-	-	-	-	-	-
Valuation of motivational program	-	-	4,825	-	4,825	-	4,825
Increase (decrease) as the result of change in ownership in subsidiaries which do not result in loss of control	-	-	-	-	-	-	-
<b>Changes in equity</b>	<b>-</b>	<b>-</b>	<b>5,143</b>	<b>(5,129)</b>	<b>14</b>	<b>755</b>	<b>769</b>
<b>As of 30.09.2023</b>	<b>1,829</b>	<b>78,653</b>	<b>23,346</b>	<b>36,999</b>	<b>140,827</b>	<b>2,159</b>	<b>142,986</b>

For the period from 01.01. to 30.06.2023	Share capital	Share premium	Other reserve capital	Retained earnings	Equity attributable to owners of parent	Non controlling interest	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As of 01.01.2023</b>	<b>1,829</b>	<b>78,653</b>	<b>18,203</b>	<b>42,128</b>	<b>140,813</b>	<b>1,404</b>	<b>142,217</b>
<b>As of 01.01.2023, upon conversion</b>	<b>1,829</b>	<b>78,653</b>	<b>18,203</b>	<b>42,128</b>	<b>140,813</b>	<b>1,404</b>	<b>142,217</b>
Profit (loss) for the period	-	-	-	(3,570)	(3,570)	425	(3,145)
Increase (decrease) as the result of other changes in equity	-	-	(231)	-	(231)	-	(231)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(231)</b>	<b>(3,570)</b>	<b>(3,801)</b>	<b>425</b>	<b>(3,376)</b>
Increase (decrease) as the result of other changes in equity	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Valuation of motivational program	-	-	2,482	-	2,482	-	2,482
Increase (decrease) as the result of change in ownership in subsidiaries which do not result in loss of control	-	-	-	-	-	-	-
<b>Changes in equity</b>	<b>-</b>	<b>-</b>	<b>2,251</b>	<b>(3,570)</b>	<b>(1,319)</b>	<b>425</b>	<b>(894)</b>
<b>As of 30.06.2023</b>	<b>1,829</b>	<b>78,653</b>	<b>20,454</b>	<b>38,558</b>	<b>139,494</b>	<b>1,829</b>	<b>141,323</b>

For the period from 01.01. to 31.12.2022	Share capital	Share premium	Other reserve capital	Retained earnings	Equity attributable to owners of parent	Non controlling interest	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As of 01.01.2022</b>	<b>1,829</b>	<b>78,653</b>	<b>16,629</b>	<b>36,294</b>	<b>133,405</b>	<b>1,704</b>	<b>135,109</b>
<b>As of 01.01.2022, upon conversion</b>	<b>1,829</b>	<b>78,653</b>	<b>16,629</b>	<b>36,294</b>	<b>133,405</b>	<b>1,704</b>	<b>135,109</b>
Profit (loss) for the period	-	-	-	8,196	8,196	379	8,575
Increase (decrease) as the result of other changes in equity	-	-	(334)	-	(334)	-	(334)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(334)</b>	<b>8,196</b>	<b>7,862</b>	<b>379</b>	<b>8,241</b>
Increase (decrease) as the result of other changes in equity	-	-	5	-	5	-	5
Issue of shares	-	-	-	-	-	-	-
Valuation of motivational program	-	-	1,903	-	1,903	-	1,903
Increase (decrease) as the result of change in ownership in subsidiaries which do not result in loss of control	-	-	-	(2,362)	(2,362)	(679)	(3,041)
<b>Changes in equity</b>	<b>-</b>	<b>-</b>	<b>1,574</b>	<b>5,834</b>	<b>7,408</b>	<b>(300)</b>	<b>7,108</b>
<b>As of 31.12.2022</b>	<b>1,829</b>	<b>78,653</b>	<b>18,203</b>	<b>42,128</b>	<b>140,813</b>	<b>1,404</b>	<b>142,217</b>



## II. KEY BASIC INFORMATION ABOUT CI GAMES CAPITAL GROUP

### 1. Information about Dominant entity

- Name of the reporting entity: CI Games spółka europejska (“Issuer”, “Dominant entity”, the Company”. On 17.03.2023 the Court registered transformation of CI Games SA into European Company. CI Games SE was registered in the Register of Entrepreneurs of the National Court Register by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register.
- Registered Address: Rondo Daszyńskiego 2B, 00-843 Warsaw
- The core business activity: production, publishing and distribution of video games
- Court registration number (KRS): 0001025884
- Tax identification number NIP: 1181585759
- Statistical identification number (REGON): 017186320
- The Company has been established for an unlimited period of time.

### 2. Structure of CI Games Capital Group

As of 30.09.2023, CI Games Capital Group (“the Group”, “Capital Group CI Games”) consisted of the following entities:

- CI Games SE with a registered office in Warsaw (“the Company”, “CI Games”, “Parent entity”, “Dominant entity”). Share capital: PLN 1,829,430.15. Dominant entity. The Company is listed on the regulated market conducted by the Warsaw Stock Exchange in Warsaw S.A. On 17.03.2023, transformation of CI Games SA into CI Games European Company was registered.
- United Label S.A. (“United Label”) with a registered office in Warsaw. Share capital: PLN 127,500. 91.65% shares held by CI Games, with the remaining shares owned by private individuals. The Company is listed on New Connect market (Alternative Trading System – ATS) conducted by the Warsaw Stock Exchange in Warsaw S.A.
- CI Games USA Inc. with a registered office in the state of Delaware, United States of America. Share capital: USD 50,000. 100% shares held by CI Games.
- Business Area sp. z o.o. with a registered office in Warsaw. Share capital: PLN 5,000; 100% shares held by CI Games.
- Business Area sp. z ograniczoną odpowiedzialnością sp.j. with a registered office in Warsaw. 99.99% contribution of CI Games; the remaining 0.01% of Business Area sp. z o.o.
- CI Games S.A. sp.j. with a registered office in Warsaw. 99.99% contribution of Business Area ograniczoną odpowiedzialnością sp.j.; the remaining 0.01% of CI Games.
- CI Games UK Ltd. with a registered office in London, the United Kingdom. Share capital GBP 100; 100% shares held by CI Games.
- CI Games Mediterranean Projects S.L. with a registered office in Barcelona, Spain. Share capital: EUR 3,000. 75% shares held directly by CI Games; the remaining 25% shares owned by Mclcx Trust sp. z o.o. with the seat in Warsaw.
- CI Games Bucharest Studio S.R.L. with a registered office in Bucharest, Romania. Share capital: LEI 200. 100% shares owned directly by CI Games.

### 3. Companies included in consolidation

The following companies are subject to consolidation:

Company	Share in capital	Share in voting rights	Consolidation method
CI Games Inc. USA	100%	100%	full
United Label S.A.	91.65%	91.65%	full
Business Area sp. z o.o	100%	100%	full
Business Area sp. z o.o. sp.j.	99.99%	99.99%	full
CI Games S.A. sp.j.	0.01%	0.01%	full
CI Games UK Ltd.	100%	100%	full
CI Games Mediterranean Projects S.L.	75%	75%	full
CI Games Bucharest Studio SRL	100%	100%	Not consolidated*

\* due to the materiality level of i.e. the share of the balance sheet value of a subsidiary does not exceed 2% of total balance sheet of the Dominant entity

### 4. Statement of compliance and general principles of preparation the financial statements

The interim condensed consolidated financial statements were prepared in accordance with requirements of IAS 34 „Interim financial reporting” approved by EU („IAS 34”) and the scope required by the Minister of Finance Regulation of March 29, 2018 on current and periodical information to be published by issuers of securities and conditions of consideration of information required by the law of non-member country's law as equal (Official Journal 2018, item 757) and present financial position of the CI Games Capital Group and the Company as of 30.09.2023, financial results and cash flow for the 9-months period ended 30.09.2023 and 30.09.2022.

The quarterly interim financial statements do not include all the information and disclosures required by annual financial statements and therefore they should be read in conjunction with the Financial Statement of CI Games Capital Group for the period ended 31.12.2022 approved for publication on 27.04.2023.

Preparation of the consolidated financial statements in accordance with the EU IFRS requires the Management Board to make judgments, estimates and assumptions, which influence the accounting principles applied, as well as the value of assets, liabilities, revenues and expenses. The estimates and the associated assumptions are based on factors, which are considered to be reliable under the given circumstances, and their results provide a basis for judgment on balance sheet value of assets and liabilities, which is not based directly on other sources. The real value may differ from the estimated values.

The Management Board verifies the estimates and assumptions on an ongoing basis and records any changes in these in the period, in which they were made. The key judgments and estimates made by Management applied in the preparation of interim financial statements remained unchanged compared to the judgments and estimates applied in the consolidated financial statements ended 31.12.2022.

## 5. Going concern assumption

The consolidated financial statements were prepared with the assumption of going concern in the foreseeable future. The Management Board of the Issuer is of opinion that the Group is able to:

- conduct its ongoing activity and settle its liabilities,
- continue production of subsequent games titles.

In association with the situation related to economic uncertainty in Poland and over the world related to the war in Ukraine, and their implications – the Management Board is of opinion that the current situation does not constitute an event that would require an adjustment of the consolidated financial statements for the nine month period ended 30.09.2023. As of the date of publication of these financial statements, the situation is subject to constant changes. The Management Board is monitoring the potential impact and will take all steps to mitigate any negative consequences for the Group.

## 6. Functional and presentation currency and the rules of conversion of the financial data for the consolidation purposes

Functional currency of Dominant entity and presentation currency of these consolidated financial statements is Polish zloty (PLN). Possible differences in the amount of 1 thousand PLN when summing up the items presented in the explanatory notes result from adopted rounding.

Conversion into PLN of the financial statements of the subsidiaries for the consolidation purposes: the balance sheet items have been converted using the exchange rates as of the end of the reporting period, while the items of the profit and loss account and the cash flow statement have been converted in according to the exchange rates determined as the arithmetic mean of exchange rates published by the President of the National Bank of Poland as of the last day of each month of the year.

Foreign exchange differences resulting from these conversions are included in equity in the in the item foreign exchange differences from translation of foreign entities.

## 7. Changes in the accounting principles and comparability of data presented in the financial statement

The Group applied consistent accounting rules in the accounting periods. In the third quarter of 2023, there was no changes in the accounting policy.

In the third quarter 2023, the Company issued convertible bonds series F (described in Section IV, point 15). For accounting purposes a convertible bond creates both an equity and a debt instrument. As of the bond's issuance date, the liability portion of the convertible bonds is valued as the present value of future cash flows (interest and principal) discounted at the market interest rate with the assumption that no conversion option is available. The value of the equity portion is the difference between the total proceeds received from the bonds and the present value of liability portion.

On 13.10.2023, "Lords of the Fallen" game was released. The company intends to amortize this asset in proportion to the projected net proceeds from this game over 5 years. September's COGS included provision for estimated proportional amortization charge planned for 2023. At the year end, the Company will be reviewing proportion of the forecasted benefits to be realised in the five year period.

## 8. New standards and interpretations

New standards, changes in the binding standards and interpretations, which came into effect on 1<sup>st</sup> January 2023 and 2024:

- **IFRS 17 “Insurance contracts”** with subsequent amendments to IFRS 17.
- **Amendments to IAS 1 “Presentation of financial statements”**. The changes pertain to the definition of material disclosures related to accounting policy, which has been defined in the standard.
- **Amendments to IAS 8 “Accounting policies, changes in accounting estimates and errors”**. The changes relate to definition of estimates.
- **Amendments to IAS 12 “Income tax”** – deferred tax related to assets and liabilities arising from a single transaction. Before amendment to the standard, there were ambiguities as to whether the recognition of equal amounts of assets and liabilities for accounting purposes (e.g. initial recognition of a lease) without affecting current tax settlements results in the need to recognize deferred tax balances or whether the so-called exemption from initial recognition, which says that deferred tax balances are not recognized if the recognition of an asset or liability has no effect on the accounting or tax result at the time of recognition. The amended IAS 12 regulates this issue by requiring the recognition of deferred tax in the above situation by introducing an additional provision that the exemption from initial recognition does not apply if the entity simultaneously recognizes an asset and an equivalent liability and each of them creates temporary differences.
- **Amendments to IFRS 17 “Insurance contracts”** – first application of IFRS 17 and IFRS 9 – comparable information.
- **Amendments to IAS 1 “Presentation of Financial Statements”** - classification of liabilities as current or non-current and classification of liabilities as current.
- **Amendment to IFRS 16 “Leasing”** – lease liabilities during the sale and lease back.

According to estimates of the Company, the standards, interpretations and amendments to standards listed above shall have no significant impact upon the financial statements of the Company and the Group.

## 9. Audit performed by statutory auditor

These quarterly consolidated and individual financial statements along with the selected components were not audited nor reviewed by an independent statutory auditor.

### III. FINANCIAL INFORMATION TO THE QUARTERLY REPORT

#### 1. Consolidated quarterly results

Profit and Loss Account	9M2023	9M2022
	PLN'000	PLN'000
Net revenue from sales	59,121	41,255
Gross profit on sales	31,745	29,442
<i>Sales margin (%)</i>	53.7%	71.4%
Selling costs	(19,027)	(10,743)
General and administrative costs	(13,618)	(12,180)
Net other operating income/costs and net impairment	(780)	(255)
Profit (loss) from operating activities	(1,680)	6,264
<i>Operating margin (%)</i>	-2.8%	15.2%
Reported EBITDA	9,829	12,203
<i>EBITDA (%)</i>	16.6%	29.6%
Gross profit (loss)	(4,970)	9,656
<i>Gross profit (%)</i>	-8.4%	23.4%
Net profit (loss)	(4,373)	9,479
<i>Net margin (%)</i>	-7.4%	23.0%
Adjusted EBITDA	16,346	12,203
<i>Adjusted EBITDA (%)</i>	27.6%	29.6%

In the nine months of 2023, consolidated revenues amounted to PLN 59.1m compared to PLN 41.3m in comparable period of 2022. "Lords of the Fallen" was released on 13.10.2023, however, the sales of physical products were realized in September and October, therefore the third quarter of 2023 included September's portion of physical products' sales that were shipped in advance of launch.

The revenues from sales of "Lords of the Fallen" boxes were netted off with the provision for price protection (i.e. future decreases in prices of physical sales) and they accounted for 49% (PLN 29.1m) of net revenues generated in the nine month period of 2023, while "Sniper Ghost Warrior Contracts 2" accounted for 24% (PLN 14.3m). The United Label's portfolio generated 11% (PLN 6.7m) of revenues in the reported period.

The costs of goods sold included:

- cost of production physical products,
- amortization of "Sniper Ghost Warrior Contracts 2",
- amortization of the games from United Label portfolio,
- provision for amortization of "Lords of the Fallen",
- provisions for costs of engine,
- royalties paid on United Label's portfolio.

Selling costs significantly increased in the reporting period, as they included:

- marketing costs related to release of "Lords of the Fallen",
- additional salaries costs of an expanded, international marketing and sales teams,
- increased in an amortization of the motivational program due to new persons enrolled in the program in Q2 2023.

In 9M2022, General and administrative costs included one-off costs related to dual listing, which did not appear in 9M2023. In spite of this, G&A costs in 9M2023 were higher compared to the costs in 9M2022, due to growth in recruitment costs, larger international HR team, an increase in costs of legal services and higher amortization cost of the motivational program due to new persons enrolled in the program in Q2 2023.

The Group noted loss on operating activity in the amount of PLN 1.7m in 9M2023, as the result of marketing cost of the upcoming launch of “Lords of the Fallen” and simultaneous investment in the team’s development.

The 9M2023 reported EBITDA of PLN 9.8m has been adjusted by a non-cash item of PLN 6.5m related to the amortization of a motivational plan (PLN 4.8m) and net allowance for trade and other receivables in the amount of PLN 1.7m. An increase in the amortization of the motivational plan is connected with new people enrolled to the plan in Q2 2023 and shorter amortization period for the respective cost.

## 2. Information about operational segments

The basic segments of Group’s activity are the production and sales of own games and publishing activity commenced in the second half of year 2018 by United Label S.A. The tables below present:

- CI Games Group – stands for CI Games and other companies from the Group including consolidation adjustments between these entities.
- United Label S.A. – presents publishing activity.
- Consolidation eliminations – relate to eliminations between CI Games Group and United Label S.A.

30.09.2023	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>A. Non-current assets</b>	<b>216,395</b>	<b>5,217</b>	<b>(138)</b>	<b>221,474</b>
Property, plant and equipment	1,481	-	-	1,481
Intangible assets	206,470	5,035	(38)	211,467
Right-to-use asset	2,512	-	-	2,512
Long term investments	100	-	(100)	-
Deferred tax asset	5,291	182	-	5,473
Long term receivables	541	-	-	541
<b>B. Current assets</b>	<b>45,505</b>	<b>6,384</b>	<b>(6,000)</b>	<b>45,889</b>
Inventory	8,906	-	-	8,906
Current investments	-	-	-	-
Trade and other receivables	23,908	6,230	(6,000)	24,138
Tax receivables	-	11	-	11
Cash and cash equivalents	12,691	143	-	12,834
<b>Current assets other than assets or disposal classified as held for sales or as held for distribution to owners</b>	<b>45,505</b>	<b>6,384</b>	<b>(6,000)</b>	<b>45,889</b>
<b>Non-current assets classified as held for sale or as held for distribution to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>261,900</b>	<b>11,601</b>	<b>(6,138)</b>	<b>267,363</b>



30.09.2023	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>A.</b>	<b>134,119</b>	<b>9,005</b>	<b>(138)</b>	<b>142,986</b>
Share capital	1,829	128	(128)	1,829
Share premium	74,484	4,169	-	78,653
Other reserve capital	23,346	-	-	23,346
Retained earnings	32,329	4,708	(38)	36,999
including profit for the period	(5,341)	242	(30)	(5,129)
<b>Equity attributable to owners of the Parent</b>	<b>131,988</b>	<b>9,005</b>	<b>(166)</b>	<b>140,827</b>
<b>Equity attributable to non-controlling interests</b>	<b>2,131</b>	<b>-</b>	<b>28</b>	<b>2,159</b>
<b>B. LIABILITIES</b>	<b>127,781</b>	<b>2,596</b>	<b>(6,000)</b>	<b>124,377</b>
<b>Non-current liabilities</b>	<b>2,215</b>	<b>4</b>	<b>-</b>	<b>2,219</b>
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	1,719	-	-	1,719
Deferred income tax provision	496	4	-	500
<b>Current liabilities</b>	<b>125,566</b>	<b>2,592</b>	<b>(6,000)</b>	<b>122,158</b>
Borrowings including credits, loans and other debt instruments	72,022	-	-	72,022
Income tax liabilities	4,317	4	-	4,321
Trade liabilities and other liabilities	45,427	2,307	(6,000)	41,734
Finance lease liabilities	1,102	-	-	1,102
Other current provisions	2,698	281	-	2,979
<b>Current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>125,566</b>	<b>2,592</b>	<b>(6,000)</b>	<b>122,158</b>
<b>Liabilities included in disposal groups classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>261,900</b>	<b>11,601</b>	<b>(6,138)</b>	<b>267,363</b>

Consolidated P&L per segments for the period from 1.01 to 30.09.2023	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>Continuing operations</b>				
<b>Net revenue from sales</b>	<b>53,374</b>	<b>6,363</b>	<b>(616)</b>	<b>59,121</b>
<b>Costs of products, goods and services sold</b>	<b>(23,382)</b>	<b>(4,004)</b>	<b>10</b>	<b>(27,376)</b>
<b>Gross profit (loss) on sales</b>	<b>29,992</b>	<b>2,359</b>	<b>(606)</b>	<b>31,745</b>
Other operating revenues	967	-	(2)	965
Selling costs	(18,790)	(873)	636	(19,027)
General and administrative costs	(12,988)	(630)	-	(13,618)
Other operating expenses	(177)	-	2	(175)
Impairment loss/impairment gain and reversal of impairment loss	(1,570)	-	-	(1,570)
<b>Profit (loss) on operating activities</b>	<b>(2,566)</b>	<b>856</b>	<b>30</b>	<b>(1,680)</b>
Financial revenues	8	-	-	8
Financial expenses	(3,205)	(93)	-	(3,298)
<b>Profit (loss) before tax</b>	<b>(5,763)</b>	<b>763</b>	<b>30</b>	<b>(4,970)</b>
Income tax	1,118	(521)	-	597
<b>Profit (loss) on continuing operations</b>	<b>(4,645)</b>	<b>242</b>	<b>30</b>	<b>(4,373)</b>
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>(4,645)</b>	<b>242</b>	<b>30</b>	<b>(4,373)</b>
- net profit (loss) attributable to equity owners of the Parent	(5,341)	242	(30)	(5,129)
- net profit (loss) attributable to non-controlling interest	755	-	-	755

## Consolidated P&amp;L per segments for 3Q 2023

	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>Continuing operations</b>				
<b>Net revenue from sales</b>	<b>36,256</b>	<b>693</b>	<b>(69)</b>	<b>36,880</b>
<b>Costs of products, goods and services sold</b>	<b>(17,947)</b>	<b>(772)</b>	<b>(8)</b>	<b>(18,727)</b>
<b>Gross profit (loss) on sales</b>	<b>18,309</b>	<b>(79)</b>	<b>(77)</b>	<b>18,153</b>
Other operating revenues	916	-	-	916
Selling costs	(11,127)	(129)	69	(11,187)
General and administrative costs	(4,612)	(174)	-	(4,786)
Other operating expenses	(87)	-	-	(87)
Impairment loss/impairment gain and reversal of impairment loss	(684)	-	-	(684)
<b>Profit (loss) on operating activities</b>	<b>2,715</b>	<b>(382)</b>	<b>(8)</b>	<b>2,325</b>
Financial revenues	(1,607)	21	-	(1,586)
Financial expenses	(2,191)	(85)	-	(2,276)
<b>Profit (loss) before tax</b>	<b>(1,083)</b>	<b>(446)</b>	<b>(8)</b>	<b>(1,537)</b>
Income tax	405	(96)	-	309
<b>Profit (loss) on continuing operations</b>	<b>(678)</b>	<b>(542)</b>	<b>(8)</b>	<b>(1,228)</b>
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>(678)</b>	<b>(542)</b>	<b>(8)</b>	<b>(1,228)</b>
- net profit (loss) attributable to equity owners of the Parent	(949)	(542)	(68)	(1,559)
- net profit (loss) attributable to non-controlling interest	330	-	-	330

As of 30.09.2022

PLN'000	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>A. Non-current assets</b>	<b>134,941</b>	<b>5,544</b>	<b>(216)</b>	<b>140,269</b>
Property, plant and equipment	1,618	-	-	1,618
Intangible assets	126,524	5,217	(84)	131,657
Right-to-use asset	3,646	-	-	3,646
Shares in subsidiaries	100	-	(100)	-
Long term investments	-	-	-	-
Deferred tax asset	2,578	327	(32)	2,873
Long term receivables	475	-	-	475
<b>B. Current assets</b>	<b>27,265</b>	<b>4,314</b>	<b>(2,669)</b>	<b>28,910</b>
Inventory	1,898	-	-	1,898
Current investments	65	-	-	65
Trade and other receivables	10,637	3,330	(2,669)	11,298
Tax receivables	4,536	-	-	4,536
Cash and cash equivalents	10,129	984	-	11,113
<b>Current assets other than assets or disposal classified as held for sales or as held for distribution to owners</b>	<b>27,265</b>	<b>4,314</b>	<b>(2,669)</b>	<b>28,910</b>
<b>Non-current assets classified as held for sale or as held for distribution to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>162,206</b>	<b>9,858</b>	<b>(2,885)</b>	<b>169,179</b>

PLN'000	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>A. EQUITY</b>	<b>134,659</b>	<b>7,812</b>	<b>(184)</b>	<b>142,287</b>
Share capital	1,829	128	(128)	1,829
Share premium	74,484	4,169	-	78,653
Other reserve capital	17,369	-	-	17,369
Retained earnings	39,739	3,515	(84)	43,170
including profit for the period	8,969	234	35	9,238
<b>Equity attributable to owners of the Parent</b>	<b>133,421</b>	<b>7,812</b>	<b>(212)</b>	<b>141,021</b>
<b>Equity attributable to non-controlling interests</b>	<b>1,238</b>	<b>-</b>	<b>28</b>	<b>1,266</b>
<b>B. LIABILITIES</b>	<b>27,547</b>	<b>2,046</b>	<b>(2,701)</b>	<b>26,892</b>
<b>Non-current liabilities</b>	<b>5,742</b>	<b>35</b>	<b>(32)</b>	<b>5,745</b>
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	3,202	-	-	3,202
Deferred income tax provision	2,540	35	(32)	2,543
<b>Current liabilities</b>	<b>21,805</b>	<b>2,011</b>	<b>(2,669)</b>	<b>21,147</b>
Borrowings including credits, loans and other debt instruments	4,305	-	-	4,305
Income tax liabilities	-	104	-	104
Trade liabilities and other liabilities	13,534	1,253	(2,669)	12,118
Finance lease liabilities	1,276	-	-	1,276
Other current provisions	2,690	654	-	3,344
<b>Current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>21,805</b>	<b>2,011</b>	<b>(2,669)</b>	<b>21,147</b>
<b>Liabilities included in disposal groups classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>162,206</b>	<b>9,858</b>	<b>(2,885)</b>	<b>169,179</b>

Consolidated P&L per segments for 9M 2022	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>Continuing operations</b>				
<b>Net revenue from sales</b>	<b>36,973</b>	<b>4,940</b>	<b>(658)</b>	<b>41,255</b>
<b>Costs of products, goods and services sold</b>	<b>(8,566)</b>	<b>(3,471)</b>	<b>224</b>	<b>(11,813)</b>
<b>Gross profit (loss) on sales</b>	<b>28,407</b>	<b>1,469</b>	<b>(434)</b>	<b>29,442</b>
Other operating revenues	117	1	(3)	115
Selling costs	(10,530)	(682)	469	(10,743)
General and administrative costs	(11,536)	(644)	-	(12,180)
Other operating expenses	(338)	(1)	3	(336)
Impairment loss/impairment gain and reversal of impairment loss	(34)	-	-	(34)
<b>Profit (loss) on operating activities</b>	<b>6,086</b>	<b>143</b>	<b>35</b>	<b>6,264</b>
Financial revenues	3,711	232	-	3,943
Financial expenses	(541)	(10)	-	(551)
<b>Profit (loss) before tax</b>	<b>9,256</b>	<b>365</b>	<b>35</b>	<b>9,656</b>
Income tax	(46)	(131)	-	(177)
<b>Profit (loss) on continuing operations</b>	<b>9,210</b>	<b>234</b>	<b>35</b>	<b>9,479</b>
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>9,210</b>	<b>234</b>	<b>35</b>	<b>9,479</b>
- net profit (loss) attributable to equity owners of the Parent	8,969	234	35	9,238
- net profit (loss) attributable to non-controlling interest	241	-	-	241

## Consolidated P&amp;L per segments for 3Q 2022

	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>Continuing operations</b>				
<b>Net revenue from sales</b>	<b>9,562</b>	<b>1,514</b>	<b>(282)</b>	<b>10,794</b>
<b>Costs of products, goods and services sold</b>	<b>(2,889)</b>	<b>(1,166)</b>	<b>156</b>	<b>(3,899)</b>
<b>Gross profit (loss) on sales</b>	<b>6,673</b>	<b>348</b>	<b>(126)</b>	<b>6,895</b>
Other operating revenues	78	1	(1)	78
Selling costs	(6,843)	(201)	133	(6,911)
General and administrative costs	(4,497)	(222)	-	(4,719)
Other operating expenses	(88)	(1)	1	(88)
Impairment loss/impairment gain and reversal of impairment loss	-	-	-	-
<b>Profit (loss) on operating activities</b>	<b>(4,677)</b>	<b>(75)</b>	<b>7</b>	<b>(4,745)</b>
Financial revenues	1,134	118	-	1,252
Financial expenses	(369)	(3)	-	(372)
<b>Profit (loss) before tax</b>	<b>(3,912)</b>	<b>40</b>	<b>7</b>	<b>(3,865)</b>
Income tax	145	(145)	-	-
<b>Profit (loss) on continuing operations</b>	<b>(3,767)</b>	<b>(105)</b>	<b>7</b>	<b>(3,865)</b>
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>(3,767)</b>	<b>(105)</b>	<b>7</b>	<b>(3,865)</b>
- net profit (loss) attributable to equity owners of the Parent	(3,843)	(105)	7	(3,941)
- net profit (loss) attributable to non-controlling interest	77	-	-	77

31.12.2022	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>A. Non-current assets</b>	<b>153,356</b>	<b>5,277</b>	<b>(167)</b>	<b>158,466</b>
Property, plant and equipment	1,528	-	-	1,528
Intangible assets	147,054	5,057	(67)	152,044
Right-to-use asset	3,397	-	-	3,397
Long term investments	100	-	(100)	-
Deferred tax asset	797	220	-	1,017
Long term receivables	480	-	-	480
<b>B. Current assets</b>	<b>19,569</b>	<b>5,616</b>	<b>(4,390)</b>	<b>20,795</b>
Inventory	1,171	-	-	1,171
Current investments	346	-	-	346
Trade and other receivables	11,398	5,234	(4,390)	12,242
Tax receivables	299	119	-	418
Cash and cash equivalents	6,355	263	-	6,618
<b>Current assets other than assets or disposal classified as held for sales or as held for distribution to owners</b>	<b>19,569</b>	<b>5,616</b>	<b>(4,390)</b>	<b>20,795</b>
<b>Non-current assets classified as held for sale or as held for distribution to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>172,925</b>	<b>10,893</b>	<b>(4,557)</b>	<b>179,261</b>

31.12.2022	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>A.</b>	<b>133,622</b>	<b>8,763</b>	<b>(168)</b>	<b>142,217</b>
Share capital	1,829	128	(128)	1,829
Share premium	74,484	4,169	-	78,653
Other reserve capital	18,203	-	-	18,203
Retained earnings	37,730	4,466	(68)	42,128
including profit for the period	6,960	1,185	51	8,196
<b>Equity attributable to owners of the Parent</b>	<b>132,246</b>	<b>8,763</b>	<b>(196)</b>	<b>140,813</b>
<b>Equity attributable to non-controlling interests</b>	<b>1,376</b>	<b>-</b>	<b>28</b>	<b>1,404</b>
<b>B. LIABILITIES</b>	<b>39,303</b>	<b>2,130</b>	<b>(4,389)</b>	<b>37,044</b>
<b>Non-current liabilities</b>	<b>4,638</b>	<b>6</b>	<b>-</b>	<b>4,644</b>
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	2,783	-	-	2,783
Deferred income tax provision	1,855	6	-	1,861
<b>Current liabilities</b>	<b>34,665</b>	<b>2,124</b>	<b>(4,389)</b>	<b>32,400</b>
Borrowings including credits, loans and other debt instruments	18,575	-	-	18,575
Income tax liabilities	66	-	-	66
Trade liabilities and other liabilities	13,936	2,094	(4,389)	11,641
Finance lease liabilities	1,219	-	-	1,219
Other current provisions	869	30	-	899
<b>Current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>34,665</b>	<b>2,124</b>	<b>(4,389)</b>	<b>32,400</b>
<b>Liabilities included in disposal groups classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>172,925</b>	<b>10,893</b>	<b>(4,557)</b>	<b>179,261</b>

2022	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
<b>Continuing operations</b>				
<b>Net revenue from sales</b>	<b>49,686</b>	<b>8,199</b>	<b>(1,191)</b>	<b>56,694</b>
<b>Costs of products, goods and services sold</b>	<b>(11,358)</b>	<b>(5,097)</b>	<b>506</b>	<b>(15,949)</b>
<b>Gross profit (loss) on sales</b>	<b>38,328</b>	<b>3,102</b>	<b>(685)</b>	<b>40,745</b>
Other operating revenues	175	1	(30)	146
Selling costs	(15,615)	(1,018)	736	(15,897)
General and administrative costs	(15,449)	(897)	-	(16,346)
Other operating expenses	(777)	(1)	30	(748)
Impairment loss/impairment gain and reversal of impairment loss	(82)	-	-	(82)
<b>Profit (loss) on operating activities</b>	<b>6,580</b>	<b>1,187</b>	<b>51</b>	<b>7,818</b>
Financial revenues	3,767	244	-	4,011
Financial expenses	(432)	(12)	-	(444)
<b>Profit (loss) before tax</b>	<b>9,915</b>	<b>1,419</b>	<b>51</b>	<b>11,385</b>
Income tax	(2,577)	(234)	-	(2,811)
<b>Profit (loss) on continuing operations</b>	<b>7,338</b>	<b>1,185</b>	<b>51</b>	<b>8,574</b>
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>7,338</b>	<b>1,185</b>	<b>51</b>	<b>8,574</b>
- net profit (loss) attributable to equity owners of the Parent	6,960	1,185	51	8,196
- net profit (loss) attributable to non-controlling interest	379	-	-	379

### 3. Information concerning the amount and type of items influencing the assets, liabilities, equity, net result or cash flows, which are unusual due to their nature, value or frequency

As of the date of this report, no amounts were recorded, which would be unusual due to their nature, value or frequency.

### 4. Information on material transactions to purchase or sell tangible assets

In the third quarter of 2023, there were no material transactions involving the purchase or sale of tangible assets.

### 5. Information on significant liabilities related to the purchase of tangible assets

As of the date of publishing this report, there were no significant liabilities related to the purchase of tangible assets.

### 6. Information on inventory impairment losses on inventories to bring the value of inventory to their recoverable net value and reversal of such losses

#### CHANGE OF REVALUATION INVENTORIES

	PLN'000
<b>Balance as of 01.01.2023</b>	<b>(1,174)</b>
Increases, including:	-
- impairment of inventory	-
Decreases, including:	-
- release of the impairment (write-offs)	20
<b>Balance as of 30.09.2023</b>	<b>(1,154)</b>

### 7. Information on impairment losses on financial assets, property, plant and equipment, intangible assets and other assets and reversal of such losses

As of 30.09.2023, the impairment loss on receivables increased by PLN 1,693 thousand as the result of created provision for trade and other receivables related to unduly executed guarantees (details provided in Section IV, point 9). The Company provided for the respective balance of other receivables in the amount of PLN 801 thousand.



Release of the impairment relates to old receivables balances, which have been previously provided for, and are paid off by a debtor (PLN 86 thousand) and write off of PLN 38 thousand.

#### CHANGE OF REVALUATION RECEIVABLES

	PLN'000
<b>Balance as of 01.01.2023</b>	<b>342</b>
Increases, including:	<b>1,693</b>
- impairment of receivables	1,693
Decreases, including:	-
- release of the impairment	(124)
<b>Balance as of 30.09.2023</b>	<b>1,911</b>

As of 30.09.2023, there were no impairment losses on financial assets, property, plant and equipment, intangible assets and no reversals of such write-offs.

## 8. Information about changes in the provisions

MOVEMENTS IN PROVISIONS	Unused holidays provision	Other provisions
	PLN'000	PLN'000
<b>Balance as of 01.01.2023</b>	96	803
Creation of the provision	146	6,451
Utilisation of the provision	130	3,617
Release of the provision	-	770
<b>Balance as of 30.09.2023</b>	<b>112</b>	<b>2,867</b>

## 9. Loan and debt instruments liabilities

Liabilities from loans and other debt instruments	as of 30.09.2023	stan na 31.12.2022
	PLN'000	PLN'000
Multi-purpose overdraft limit	24,173	18,575
Non-renewable credit facility	19,998	-
Convertible bonds series F	27,809	-
Credit cards	42	-
<b>Total liabilities from loans and debt instruments</b>	<b>72,022</b>	<b>18,575</b>

As of 30.09.2023 the short term loan liabilities included:

- multi-purpose overdraft limit up to PLN 29 mln (utilized PLN 24,173 thousand) in PKO BP S.A.;
- non-renewable credit facility of PLN 20 mln (utilized PLN 19,998 thousand) used for the production of "Lords of the Fallen" in PKO BP S.A.;
- present value of convertible bonds series F recognized in line with IFRS 9 (details related to the bonds issuance are further described in Section IV, point 15);
- credit cards balance.

## 10. Income tax

Income tax charges on the financial result consist of current tax and deferred tax (non-cash item):

- A current tax charge is calculated on the basis of the tax result (taxation basis) for a given financial year. Tax profit (loss) differs from net accounting profit (loss) due to exclusion of revenues subject to taxation and expenses constituting costs of earning profit in the subsequent years and those revenue and expense items, which will never be subject to taxation. Tax charges are calculated on the basis of tax rates applicable in a given financial year. As of 30.09.2023 current tax liability in the companies from the Group for the 9 months period of 2023 amounted to PLN 597 thousand.
- Withholding tax paid abroad relates to deducted withholding tax by the customers of the Company.
- Deferred tax is calculated using the balance sheet method as tax to be paid or returned in the future on differences between the balance sheet value of assets and liabilities and the corresponding tax values used for calculation of taxation basis.

INCOME TAX	for the period from 1.01 to 30.09.2023	for the period from 1.07 to 30.09.2023	for the period from 1.01 to 30.09.2022	for the period from 1.07 to 30.09.2022
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Gross profit (loss)</b>	<b>(4,970)</b>	<b>(1,537)</b>	<b>9,656</b>	<b>(3,865)</b>
Current income tax	(5,010)	(4,660)	185	(190)
Withholding tax paid abroad	(210)	(4)	-	-
Deferred tax:	5,817	4,973	(362)	190
Decrease/increase in the deferred tax asset	4,456	3,905	(733)	162
Decrease/increase the provision for deferred tax	1,361	1,068	371	28
<b>Total income tax included in the profit and loss account</b>	<b>597</b>	<b>309</b>	<b>(177)</b>	<b>-</b>
<b>Net profit (loss)</b>	<b>(4,373)</b>	<b>(1,228)</b>	<b>9,479</b>	<b>(3,865)</b>

As of 30.09.2023 deferred tax amounted to PLN 5,817 thousand and comprised of the following items:

- increase of the deferred tax asset balance (from 01.01.2023 to 30.09.2023) by the amount of PLN 4,456 thousand mainly due to created non-taxable provisions; and
- decrease of the deferred tax liability balance (from 01.01.2023 to 30.09.2023) by the amount of PLN 1,361 thousand, resulting mainly from the decreasing difference between the tax and book value of development works.

## 11. Deferred tax asset and liability

Deferred tax assets are determined in the amount to be deducted in the future from income tax amount as a result of temporary exchange losses, which result in reduction of the income tax base in the future. The balance sheet value of the deferred income tax asset is verified on each balance sheet date and subject to writing off, if economic benefits to be achieved by the Group due to utilization of deferred tax assets are doubtful.

The deferred income tax provision is established on the basis of temporary exchange gains between the tax value of assets and liabilities and their balance sheet value in the financial statements.

	as of 30.09.2023	as of 30.06.2023	as of 31.12.2022	as of 30.09.2022
	PLN'000	PLN'000	PLN'000	PLN'000
<b>DEFERRED TAX</b>				
<b>Deferred tax assets</b>				
<b>Opening value</b>	<b>1,017</b>	<b>1,017</b>	<b>3,643</b>	<b>3,643</b>
<b>Including assets compared to the financial result</b>	<b>(1,017)</b>	<b>(1,017)</b>	<b>(3,643)</b>	<b>(3,643)</b>
<b>Increases recognised in financial result</b>	<b>5,473</b>	<b>1,568</b>	<b>1,017</b>	<b>2,873</b>
Cost provision	465	241	68	588
Receivables valuation allowances	140	-	-	-
Provision for returns	1,423	37	118	224
Exchange differences	436	94	33	3
Tax losses	-	-	217	1,586
Difference between the balance-sheet and tax value	869	139	219	144
Motivational plan bookings	1,278	833	362	253
Other	862	224	-	75
<b>Decreases compared to the financial result</b>	<b>(1,017)</b>	<b>(1,017)</b>	<b>(3,643)</b>	<b>(3,643)</b>
<b>Closing value</b>	<b>5,473</b>	<b>1,568</b>	<b>1,017</b>	<b>2,873</b>
<b>Deferred tax provisions</b>				
<b>Opening value</b>	<b>1,861</b>	<b>1,861</b>	<b>2,914</b>	<b>2,914</b>
<b>Including assets compared to the financial result</b>	<b>(1,861)</b>	<b>(1,861)</b>	<b>(2,914)</b>	<b>(2,914)</b>
<b>Increases compared to the financial result</b>	<b>500</b>	<b>1,568</b>	<b>1,861</b>	<b>2,543</b>
Exchange differences	23	345	102	511
Difference between the balance-sheet and tax value of fixed assets	477	1,223	1,750	2,032
Other	-	-	9	-
<b>Decreases compared to the result</b>	<b>(1,861)</b>	<b>(1,861)</b>	<b>(2,914)</b>	<b>(2,914)</b>
<b>Closing value</b>	<b>500</b>	<b>1,568</b>	<b>1,861</b>	<b>2,543</b>

## 12. Information on changes in classification of financial assets as a result of a change of the purpose or use of these assets

In the third quarter of 2023, no changes took place in classification of financial assets due to a change in the purpose or use of these assets.

## 13. Share capital of Dominant entity

As of 30.09.2023, share capital comprised of nine series of shares issued at the following terms:

SHARE SERIES	NO OF SHARES	NOMINAL VALUE	
		(PLN'000)	REGISTRATION
A - ordinary bearer / paid	100,000,000	1,000	01.06.2007
B - ordinary bearer / paid	400,000	4	10.08.2008
C - ordinary bearer / paid	25,000,000	250	17.12.2008
D - ordinary bearer / paid	1,100,000	11	09.10.2009
E - ordinary bearer / paid	12,649,990	126	09.01.2014
G - ordinary bearer / paid	11,000,000	110	06.12.2016
F - ordinary bearer / paid	960,000	10	30.11.2017
H - ordinary bearer / paid	10,833,025	108	09.08.2019
I - ordinary bearer / paid	21,000,000	210	21.09.2020
<b>TOTAL</b>	<b>182,943,015</b>	<b>1,829</b>	

SHARE CAPITAL - STRUCTURE	Number of shares	% of votes
Marek Tymiński	53,083,570	29.02%
Active Ownership Fund Sicav-FIS SCS	36,618,931	20.02%
Other shareholders	93,240,514	50.96%
<b>All shareholders in total</b>	<b>182,943,015</b>	<b>100%</b>

## 14. Share premium account of the Dominant entity

SHARE SERIES	NUMBER	SURPLUS
B - ordinary bearer / paid	400,000	36
C - ordinary bearer / paid	25,000,000	22,250
D - ordinary bearer / paid	1,100,000	99
E - ordinary bearer / paid	12,649,990	11,259
G - ordinary bearer / paid	11,000,000	24,860
F - ordinary bearer / paid	960,000	663
H - ordinary bearer / paid	10,833,025	9,641
I - ordinary bearer / paid	21,000,000	24,990
<b>TOTAL</b>	<b>82,943,015</b>	<b>93,798</b>
Decrease due to costs of issue of series C		(1,829)
Decrease due to costs of issue of series E		(285)
Transfer to reserve capital		(16,000)
Decrease due to costs of issue of series G		(416)
Decrease due to costs of issue of series F		(49)
Decrease due to costs of issue of series H		(470)
Decrease due to costs of issue of series I		(265)
<b>As of 30.09.2023</b>		<b>74,484</b>

## 15. Other reserve capital

Other reserve capital comprises of: “Reserve capital for purchase own shares”, “Reserve capital”, “Motivational Plan”, “Foreign exchange differences from translations” and “Convertible bonds”.

The amount of reserve capital for purchase of treasury shares as of 30.09.2023 amounted to PLN 16,000,000 (31.12.2022: PLN 16,000,000). General Meeting of CI Games S.A. of 08.11.2010 in association with a resolution passed on the same day on approval of purchase by the Company of treasury shares. The capital was established by transfer from supplementary capital of the Company of amounts, which in accordance with art. 348 par. 1 of the Code of Commercial Companies may be distributed among the shareholders.

As of 30.09.2023 the balance resulting from accounting for motivational plan amounted to PLN 6,728 thousand, while from the “Convertible bonds” to PLN 485 thousand.

## 16. Transactions with related parties

The transactions were executed with related entities on the basis of market conditions.

Transactions for the period from 01.01. to 30.09.2023 and balances as of 30.09.2023	COSTS*	REVENUES	RECEIVABLES	LIABILITIES
Entity	PLN'000	PLN'000	PLN'000	PLN'000
CI Games USA Inc.	-	1,422	5	-
Business Area Sp. z o.o.	9	1	-	1,950
Business Area Sp. z o.o. Sp.J.	36	10	-	1,943
CI Games S.A. Sp. J.	-	1	-	191
United Label S.A.	5,980	639	31	5,969
CI Games UK Limited	8,353	-	1,256	-
CI Games Bucharest Studio SRL	723	-	-	63
CI Games Mediterranean Projects SL	48,394	110	4,379	17,311
<b>TOTAL</b>	<b>63,495</b>	<b>2,183</b>	<b>5,671</b>	<b>27,428</b>

\*including capitalised costs

Transactions of the Parent Company with entities related personally to Mr. Marek Tymiński – the majority shareholder of CI Games, who exerts direct or indirect control over the following entities:

Transactions for the period from 01.01. to 30.09.2023 and balances as of 30.09.2023

Entity	COSTS PLN'000	REVENUES PLN'000	RECEIVABLES PLN'000	LIABILITIES PLN'000
Fine Dining Sp. z o.o.	-	-	80	-
<b>TOTAL</b>	-	-	<b>80</b>	-

Transactions of CI Games with entities related personally to Members of the Supervisory Board and Members of the Management Board of the Company:

Transactions for the period from 01.01. to 30.09.2023 and balances as of 30.09.2023

Entity	COSTS PLN'000	REVENUES PLN'000	RECEIVABLES PLN'000	LIABILITIES PLN'000
Marek Tymiński	524	-	-	519
Niewińska Katarzyna	23	-	-	-
<b>TOTAL</b>	<b>547</b>	-	-	<b>519</b>

Transactions of CI Games with a shareholder related to bond issuance series F:

Transactions for the period from 01.01. to 30.09.2023 and balances as of 30.09.2023

Entity	COSTS PLN'000	REVENUES PLN'000	RECEIVABLES PLN'000	LIABILITIES PLN'000
Active Ownership Fund	501	-	-	27,809
<b>TOTAL</b>	<b>501</b>	-	-	<b>27,809</b>

## IV. OTHER INFORMATION RELATED TO QUARTERLY CONSOLIDATED REPORT

### 1. Composition of governing bodies of the Issuer

Management Board of the Dominant entity in the three quarters of 2023 was as follows:

<b>Marek Tymiński</b>	President of the Board
<b>David Broderick</b>	Vice President of the Board

Composition of the Supervisory Board of the Company in the period from January 1, 2023 to March 17, 2023 was as follows:

<b>Ryszard Bartkowiak</b>	Chairman of the Supervisory Board
<b>Rafał Berliński</b>	Member of the Supervisory Board
<b>Marcin Garliński</b>	Member of the Supervisory Board
<b>Adam Niewiński</b>	Member of the Supervisory Board
<b>Jeremy M.J. Lewis</b>	Member of the Supervisory Board

As the result of transformation of the Company into an European company on 17.03.2023, it became effective to appoint the following persons to the Supervisory Board. On 12.04.2023, during the first meeting of the Supervisory Board of the Company after its transformation into an European company, the Supervisory Board adopted a resolution to appoint Mr. Marcin Garliński as a Chairman of the Supervisory Board. As the result of transformation of the Company into an European company on 17.03.2023, it became effective to appoint the following persons to the Supervisory Board. On 12.04.2023, during the first meeting of the Supervisory Board of the Company after its transformation into an European company, the Supervisory Board adopted a resolution to appoint Mr. Marcin Garliński as a Chairman of the Supervisory Board.

On 29.06.2023, the Ordinary General Meeting of the Company has appointed Mr. Michael Foley to the function of Supervisory Board Member.

On 19.07.2023, Mr Marcin Garliński resigned from the position of the Chairman of the Supervisory Board. On 19.07.2023 the Supervisory Board appointed Mr. Michael Foley as the Chairman of the Supervisory Board with effective date on 20.07.2023.

<b>Marcin Garliński</b>	Chairman of the Supervisory Board from 17.03.2023 until 20.07.2023 and Member of the Supervisory Board from 20.07.2023
<b>Artur Osuchowski</b>	Member of the Supervisory Board
<b>Florian Schuhbauer</b>	Member of the Supervisory Board
<b>Adam Niewiński</b>	Member of the Supervisory Board
<b>Jeremy M.J. Lewis</b>	Member of the Supervisory Board
<b>Michael Foley</b>	Member of the Supervisory Board from 29.06.2023 and Chairman of the Supervisory Board from 20.07.2023



## 2. The shareholding structure of the Dominant entity

The shareholding structure is determined on the basis of formal notices issued by shareholders who control at least 5% of the total number of votes at the General Meeting of Shareholders. The percentage share in the Company's share capital and in the total number of votes at the General Meeting is calculated on the basis of the most recent notices received from Company shareholders as of the date of publication of this report.

Share capital– structure	Number of shares and number of votes	% of votes in the share capital of the Company and in the total number of votes
Marek Tymiński	53,083,570	29.02%
Active Ownership Fund Sicav-FIS SCS	36,618,931	20.02%
Other shareholders	93,240,514	50.96%
<b>Total</b>	<b>182,943,015</b>	<b>100.00%</b>

## 3. Ownership of CI Games SE shares or rights to shares by persons managing and supervising the Company

Ownership of CI Games SE shares by members of managing and supervising bodies as of the date of publication of this report:

Person	Function	State as of 31.12.2022	State as of the report publication date
Marek Tymiński	CEO, President of the Management Board	53,083,570	53,083,570
Marcin Garliński	Chairman of the Supervisory Board	40,000	40,000

Marek Tymiński, the President of the Management Board of CI Games, holds 53,083,570 shares of the Parent Entity, representing 29.02% of the Issuer's share capital and 29.02% of the total number of votes at the Company's general meeting.

Marcin Garliński, a Chairman of the Supervisory Board of CI Games, holds 40,000 shares of the Issuer, constituting 0.02% of the share capital of the Issuer and 0.02% of the total number of votes during the general meeting of the Company.

According to the best knowledge of the Company, the remaining members of the Supervisory Board hold no shares of the Company as of the date of the release of this report.

## 4. Key events in the Group in the third quarter of 2023 and until the date of this report

### 4.1 Corporate matters

- On 20.07.2023 the Management Board of the Company adopted a resolution on the allotment of 60 series F bonds, registered, unsecured, non-documentary, convertible into series L ordinary bearer shares, with a par value equal to the issue price of EUR 100,000 each bond and a total par value of EUR 6m, bearing interest at a fixed annual rate of 8%. Further details presented in Section IV, point 15.
- On 16.08.2023, the Company entered into a settlement agreement with Batfields s.r.o., headquartered in the Czech Republic, terminating the production agreement for “Survive”. Pursuant to this settlement, the Company, as the sole owner of “Survive”, has retained the intellectual property rights and is not obliged to pay any royalties to Batfields s.r.o. for “Survive”.
- On 30.10.2023, the Company concluded with the bank Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, two addendums to the loan agreements:
  - extension of the term of the loan until 31.01.2024 (an annex to the multi-purpose credit limit agreement concluded on 29.04.2022 between the Company and PKO BP for the amount of PLN 29 million);
  - extension of the term of the loan until 31.12.2023 (an annex to the non-revolving operating loan agreement concluded on 27.05.2023 between the Company and PKO BP for the amount of PLN 20 million).

### 4.2 Release of the “Lords of the Fallen”

- On 25.07.2023 the first hands-on event for “Lords of the Fallen” was held in Los Angeles with top tier Media outlets and a selection of Influencers.
- On 27.07.2023 an extended gameplay presentation for “Lords of the Fallen” was released. The 18-minute-long video received 1 million views within 24 hours, generated 574 articles across 492 different outlets and reached 2.6 million organic video views within two weeks.
- On 01-02.08.2023 a second hands-on event for “Lords of the Fallen” was held in London, across two days, with attendance from top tier media outlets and select influencers across UK & Europe. Simultaneously, a mini hands-on event was conducted in Australia by our distribution partners FiveStar with a select few top tier media and influencers.
- “Lords of the Fallen” was the IGN First feature game 01-31.08.2023.
- On 10.08.2023 the embargo for “Lords of the Fallen” was lifted with the 70+ key media and influencers releasing their preview content. In total 529 articles were published detailing the predominantly positive reactions and comments.
- On 22.08.2023 “Lords of the Fallen” premiered a 90 second Story Trailer at Opening Night Live. Immediately following the show, and the full extended 150 second version of the Story Trailer was released, achieving 3.3 mln views within two weeks.
- “Lords of the Fallen” featured on the Entertainment show floor at Gamescom - a live demo within an immersive, branded cinema. The cinema was full for each session, with one of the largest continuous queues at the event. There were also hands-on within the B2B area and large format “Lords of the Fallen” printed OOH dominated the East and North entrances and Digital OOH sites at the North entrance and the Central Boulevard.
- On 30.08.2023 the embargo for press and influencer’s “Lords of the Fallen” Gamescom content was lifted, and on 01.09.2023 a 17-minute version of the Gamescom Cinema demo was released on the “Lords of the Fallen” YouTube channel. Together these generated a further 267 articles over 5 days.
- Further hands-on and capture opportunities for “Lords of the Fallen” were happening in Seattle at PAX 01-04.09.2023, in Beijing at GFusion 08-10.09.2023 and in London at WASD 14-15.09.2023.

- On 28.09.2023 a “Lords of the Fallen” 8 minute Gameplay overview video was released, reaching 2.7 million views within its first two weeks.
- On 02.10.2023 “Lords of the Fallen” global media campaign began with OOH and cinema. Digital media started 06.10.2023 and CTV, Endemic and 1<sup>st</sup> Party dashboard media 10.10.2023 – the total campaign delivered 1.1 billion impressions over launch period.
- On 06.10.2023 VIP Influencers released the first 2 hours gameplay of “Lords of the Fallen”, putting the game in the top 5 trending on Twitch over the weekend.
- On 10.10.2023 the “Lords of the Fallen” Launch trailer released reaching 1.4 million + views in launch week.
- From 12-15.10.2023 “Lords of the Fallen” featured at NY ComicCon, rebranding the Vizeo Bus.
- On the 12.10.2023 “Lords of the Fallen” review embargo lifted, achieving 78% average score, and the ‘launch’ influencer campaigns went live trending #2 on Twitch during launch week, and was the most watched game during its first 5 days of launch – by end of October achieving 15 million streaming hours watched.
- On 13.10.2023 “Lords of the Fallen” official released on PC, PS5 and XBXS, and by launch the marketing campaign had achieved 214 million campaign views, 150 million trailer views, 12.7 million articles, 1.2 million Steam wishlists and reached no 10 in Steam Global Wishlist Chart.
- On 23.10.2023 “Lords of the Fallen” hit the milestone of 1 million units sold.
- On 24.10.2023 “Lords of the Fallen” was shortlisted for the Golden Joysticks Ultimate Game of the Year Award.
- On 17.11.2023 “Lords of the Fallen” console skus went into PlayStation and Xbox Black Friday sales, and on 21.11.2023 “Lords of the Fallen” and “Sniper Ghost Warrior Contracts 2” went Steam Black Friday Sale as ‘Featured’ titles.
- On 29.11.2023 PlayStation launches a targeted offer for “Lords of the Fallen”, only given to 10 titles in 2023, which includes a full PSN support program.

## **5. Description of factors of events, with particular emphasis on extraordinary events, that influenced the financial results achieved**

Between January 1st and September 30th, 2023, no extraordinary events took place, which would exert impact on the financial results achieved.

## **6. Information on seasonal or cyclical nature of business activity of the Issuer in the presented period**

Due to diversified sources of revenues and the specific nature of the market of video games, CI Games Capital Group is characterized by variability of revenues from sales in the trading year, determined mainly by introduction of new products on the market.

A game production cycle at the Company is usually 12 to 36 months long. In the case of simultaneous production of two games, the premieres of these games feature significant asymmetric cyclicity. Thus the publishing cycle of the Company, in which new game premiere dates are determined, is characterized by irregularity. The Issuer establishes the dates of premiere sales of the games to select the most favorable competitive environment, including in the context of known publishing plans of competitive entities, to achieve the maximum financial benefits associated with the game release.

As a result, it is a typical phenomenon in the entire sector of video games that producers record significantly higher revenues and profits in the period directly following the date of premiere of a new game, and a rather natural decrease in revenues in the following months. It is obviously an effect of high seasonality and cyclicity of activity, experienced by the video game sector around the world.

## **7. Information on significant settlements due to court cases**

In the third quarter of 2023, there was no significant settlements due to the court cases.

## **8. Information on non-payment of credits or loans or violations of significant terms and conditions of any loan or credit agreements, with regard to which no remedial action had been taken until the end of the reporting period**

As of 30.09.2023, the Company was in breach of equity to total assets ratio under bank loan agreements with PKO BP S.A., i.e. a multi-purpose loan limit of up to PLN 29 million and a non-revolving working capital loan of PLN 20 million. The Company received an approval from PKO BP S.A. to waive the sanctions provided for in the above-mentioned agreements for the Company's failure to maintain one of the financial ratios in the third quarter of 2023. On 31.10.2023, the Company entered into annexes to the above-mentioned loan agreements with PKO BP S.A., which included an extension of the loan term and confirmation of waiver of sanctions.

## **9. Specification of material proceedings before courts, competent authorities for arbitration proceedings or public administration bodies**

As of the date of publication of this report, the Management Board of the Issuer has no information on any pending proceedings involving the Parent Entity or its subsidiaries, the value of which would (jointly or individually) constitute at least 10% of equity of the Issuer.

In the Annual Report published on 27.03.2020, the Company informed of initiation of court proceedings on 17.10.2019 against EP Retail sp. z o.o., EP Office 2 sp. z o.o., EP Office 1 sp. z o.o. and EP Apartments sp. z o.o. CI Games S.A. filed a suit at the Circuit Court in Warsaw (*Sąd Okręgowy*) against these entities for payment due to unlawfully collected funds from a bank guarantee, of overpaid operating costs and overpaid rent. The total value of the object of litigation is PLN 922 thousand. The court dismissed the claim, therefore the Company appealed to the Court of Appeal in Warsaw. On 27.10.2023, the Court of Appeal in Warsaw, 7th Commercial and Intellectual Property Division, dismissed the appeal in its entirety and charged CI Games with the legal cost of PLN 32,400 along with interest as reimbursement of the costs of the appeal proceedings. The court has not provide justification of the judgment so far.

In the Annual Report published on 27.03.2020, the Company informed of initiation of court proceedings on 17.10.2019 against EP Retail sp. z o.o., EP Office 2 sp. z o.o., EP Office 1 sp. z o.o. and EP Apartments sp. z o.o. CI Games S.A. filed a suit at the Circuit Court in Warsaw (*Sąd Okręgowy*) against these entities for payment due to unlawfully collected funds from a bank guarantee, of overpaid operating costs and overpaid rent. The total value of the object of litigation is PLN 922 thousand. The court dismissed the claim, therefore the Company appealed to the Court of Appeal in Warsaw. On 27.10.2023, the Court of Appeal in Warsaw, 7th Commercial and Intellectual Property Division, dismissed the appeal in its entirety and charged CI Games with the legal cost of PLN 32,400 along with interest as reimbursement of the costs of the appeal proceedings. The judgement is not final.

On 21.4.2023, the Company received a lawsuit filed by the E.P. Retail sp. z o.o., E.P. Office 2 sp. z o.o., E.P. Office 1 sp. z o.o. and E.P. Apartments sp. z o.o. in the Circuit Court in Warsaw, whereby demand payment of PLN 483,636.15 and EUR 542,645.83 with interests. The claim consists of claims for contractual penalties, damages and reimbursement under the rental agreement concluded on 10.11.2017. The Company filed a response to the lawsuit in which it disputes the claims. This court case is currently awaiting consideration by the court.

## **10. Information on credit or loan sureties or warranties granted by the Issuer or by any of its subsidiaries – in total, to a single entity or a subsidiary of this entity, if the total value of the existing sureties or warranties constitutes the equivalent of at least 10% of equity of the Company**

In the third quarter of 2023, neither the Company nor any of its subsidiaries granted any loans or credit sureties or warranties for the amount equivalent to at least 10% of the Company's equity.

## **11. Information on issue, buyout and repayment of non-equity and equity securities**

In the third quarter of 2023 as well as until the date of publication of this report, no issue, redemption or repayment of non-equity and equity securities took place.

## **12. Information on contracts known to the Issuer, which may result in future changes in proportions of shares held by the existing stockholders and bondholders**

In the points below, there is a description of the two motivational programs based on shares series J executed as series C subscription warrants and shares series K executed as series D subscription warrants. As the result of the implementation of these programs, the proportion of the shareholding structure owned by current shareholders may change.

In the point 15 below, there is a description of issuance of the convertible bonds which may also result in future changes in proportions of shares held by existing shareholders and bondholders.

## **13. Information on employee share plan control system for 2021-2023**

On 22.06.2021, Ordinary General Meeting of the Company adopted resolution no. 19/1/2021 on the establishment of an incentive program addressed to key employees and contractors of CI Games Group, including Members of the Managing Board of CI Games S.A.

Pursuant to this resolution the Company and CI Games Group have adopted a incentive program based on series J shares. Execution of this program is dependent on CI Games Group financial results, i.e. achievement by the Company and by CI Games Group of one of the following two specific targets, depending on whichever is reached first:

- i) total net profit of CI Games Group in the fiscal years 2021-2022 in the amount of PLN 40,000,000 (forty million zloty);
- ii) total net profit of CI Games Group in fiscal years 2021-2023 in the amount of PLN 65,000,000 (sixty five million zloty).

In the event one of these targets is achieved, entitled persons will be granted no more than 9,147,150 series C subscription warrants. However, in the event where one of these targets is exceeded by every additional and consecutive PLN 5,000,000 (five million zloty), the number of warrants granted in connection with the execution of the related goal of the program will be increased by 0.5 percentage points, with the provision that such number may not exceed 7.5% of the total number of Company's shares upon the date of adoption of its incentive program, i.e. 22.06.2021 a total of no more than 13,720,726 (thirteen million seven hundred and twenty thousand seven hundred and twenty six) series C subscription warrants with the right to take up 13,720,726 (thirteen million seven hundred and twenty thousand seven hundred and twenty six) ordinary series J bearer shares.

As a result of the execution of this incentive program, entitled persons serving as the Company's Management Board Members may be granted no more than 50% of the warrants, of which a maximum of 30% of all warrants may be granted to the Company's President of the Management Board.

The Company's Managing Board designated persons, who participate in the incentive program and with respect to Members of the Managing Board, such persons were designated by the Company's Supervisory Board. Shares issued as part of the incentive program will be taken up by entitled program participants upon execution of rights arising from subscription warrants series C.

Subscription warrants will be taken up free of charge while J series shares will be taken up at an issuing price of PLN 1.26 per share. The issuing price has been set up as weighted average of the shares' price on the regulated market, on which the shares of the Company has been quoted in the first quarter of 2021 decreased by 10% i.e. PLN 1.26. Regulations of this incentive program were adopted by the Company's Ordinary General Meeting with the resolution no. 19/1/2021 dated 22.06.2021.

Pursuant to resolution no. 20/1/2021 of the Ordinary General Meeting of the Company dated 22.06.2021, the Company will issue series C subscription warrants which will entitle their holders to take up series J shares (at a rate of one warrant per one share), with full exclusion of the pre-emptive rights of the Company's existing shareholders. Furthermore, pursuant to that resolution, it was adopted to conditionally raise the Company's initial capital for the purpose of the above incentive program. The Company's conditional initial capital totals PLN 137,207.26 (one hundred thirty seven thousand two hundred and seven zloty 26/100). Upon issuance and after being taken up by entitled persons, series J shares will be admitted into trading on a regulated market managed by the Warsaw Stock Exchange.

According to regulations of the incentive program, series J shares will be subject to a partial lockup so that (i) within 30 (thirty) days of taking up series J shares, each participant of the program will be able to dispose of no more than  $\frac{1}{3}$  of the shares taken up; (ii) over the next 30 (thirty) days from the end of the period referred to in letter i) above, each program participant will be able to dispose of the remaining shares, however, such number will not exceed  $\frac{1}{3}$  of the shares taken up by such person; (iii) over the next 30 (thirty) day period from the end of the period referred to in letter ii) above, program participant will be able to dispose of the remaining shares if part of the shares were already disposed of by the deadlines referred to above, or dispose of all shares taken up by such person unless part of the shares was disposed of within the deadlines indicated above.

The duration of the incentive program referred to above covers the years 2021-2024. The Company has entered into incentive program participation agreements with persons designated by the Management Board and with members of the Company's Management Board designated by the Supervisory Board. Achievement of the target of to achieve a profit in the fiscal years 2021-2022 of 40,000,000 PLN (forty million zlotys) allows the Company to grant in 2023 subscription warrants C series with the right to subscribe for J series ordinary bearer shares.



On 29.09.2023, the Management Board and Supervisory Board of the Company adopted executive resolutions on the final verification of the objectives of the Incentive Program aimed at key employees and coworkers of the CI Games Group, including members of the Management Board of CI Games SE, the determination of the final list of eligible employees and coworkers of the Company to participate in the Incentive Program and the granting of subscription warrants, in which it was stated that the CI Games Group achieved a total net profit for the fiscal years 2021-2022 of 46,918,000; therefore, Target 1 of the Incentive Program, i.e., CI Games Capital Group's total net profit for fiscal years 2021-2022, has been achieved, and the Company is entitled to grant a total of 10,061,865 Series C subscription warrants. As of 30.09.2023, 6,755,000 entitlements (adjusted by the leavers and new persons assigned to the program) have been granted under this program and its recognition on the financial statement in the nine months period 2023 was as follows:

Share-based program	01.01.2023- 30.09.2023
	PLN'000
Costs of products sold	1,257
Selling costs	1,672
General and administration costs	1,895
<b>Operating costs</b>	<b>4,824</b>
	as of 30.09.2023
	<b>6,728</b>

## 14. Information of employee share plan control system for 2023-2025

On 29.06.2023, Ordinary General Meeting of the Company adopted resolution no. 21/2/2023 on the establishment of an incentive program addressed to key employees and contractors of CI Games Group, including Members of the Managing Board of CI Games SE. Pursuant to this resolution the Company and CI Games Group have adopted a new incentive program based on series J shares. Execution of this program is dependent on CI Games Group financial results, i.e. achievement by the Company and by CI Games Group of one of the following two specific targets, depending on whichever is reached first:

- a) total net profit of the CI Games Group in fiscal years 2023-2024 in excess of PLN 150,000,000 (one hundred and fifty million zlotys),
- b) total net profit of the CI Games Group in fiscal years 2023-2025 in excess of PLN 250,000,000 (two hundred and fifty million zlotys).

If the targets are met, the entitled persons will be granted a total of no more than 9,000,000 (nine million) series D subscription warrants with the right to subscribe for 9,000,000 (nine million) series K ordinary bearer shares. In the event that one of these objectives is achieved by each additional 25,000,000 (twenty-five million zlotys) more, the number of warrants allotted in connection with the performance of the related program objective will be increased by 1,000,000 (one million), not to exceed 13,000,000 (thirteen million) warrants in total.

In the event of a material change in the ownership structure of the Company (i.e., a significant change in the shareholding structure of the Company) in relation to the structure existing on the date of adoption of the Resolution of the General Meeting no 21/2/2023 of 29 June 2023, in such a way that after the date of adoption of the said resolution, more than 50% (fifty percent) of the total number of shares in the Company will become the property of one or more shareholders acting in concert, other than the majority shareholder of the Company on the date of adoption of the resolution who is also a member of the Management Board, the shares will not be issued to entitled participants, regardless of whether the Company has already concluded participation agreements with these participants. In the case referred to in the first sentence, the Company shall without any delay, at the first possible date in accordance with the regulations, and unconditionally pay in money to the participants referred to in the previous sentence the amounts corresponding to the product of the difference between the issue price and weighted average (market) price per share over the last 30 (thirty) calendar days until the said change of ownership, multiplied by the number of shares to which these participants were entitled in accordance with the regulations, relevant executive resolutions or participation agreements, and multiplied by the number of full calendar months from the General Meeting as of 29 June 2023 till the change of ownership divided by 24 (twenty-four).

Persons who will participate in the incentive program will be designated by the Company's Management Board, and with respect to the Company's Management Board Members, the entitled persons will be designated by the Company's Supervisory Board. Shares issued under the incentive program will be taken up by entitled participants of the program in exercise of rights from series D subscription warrants. Series D subscription warrants will be acquired free of charge, while series K shares will be acquired at an issue price of PLN 3.50 per share.

According to resolution no. 22/2/2023 of the Ordinary General Meeting of the Company dated 29.06.2023 the Company will issue series D subscription warrants, which will entitle their holders to subscribe for series K shares (in the ratio of one warrant - one share), with full exclusion of the pre-emptive rights of the Company's existing shareholders. In addition, a conditional increase in the Company's share capital for the purposes of the aforementioned incentive program was adopted on the basis of this resolution. The Company's conditional share capital issued for the purposes of this program is 13,000,000 (thirteen million). Series K shares, once issued and taken up by entitled persons, will be introduced to trading on the regulated market operated by the Warsaw Stock Exchange.

Pursuant to the terms and conditions of the incentive program, series J shares will be subject to partial lock-up in such a way that: a) within the period of 45 (forty-five) days from subscription for the shares, the Shareholder can transfer no more than 1/3 of the shares subscribed for by him/her (partial

lock-up); b) within the period of subsequent 45 (forty-five) days from expiry of the period referred to in letter a) above, the Participant can transfer the remaining shares, not exceeding, however, 1/3 of the shares subscribed for by him/her (partial lock-up); c) within the period of subsequent 45 (forty-five) days from expiry of the period referred to in letter b) above, the Participant can transfer the remaining shares if he/she transferred a part of them within the time limits specified in letters a)-b) or transfer all shares subscribed for by him/her if he/she did not transfer them under letters a)-b) above.

The duration of the incentive program, referred to above, covers the years 2023-2026.

## 15. Convertible bonds issuance

On 29.06.2023. The Ordinary General Meeting of the Company adopted Resolution No. 23/2/2023 on the issuance of convertible bonds, depriving the Company's shareholders in full of their subscription rights to convertible series F bonds, conditionally increasing the Company's share capital, depriving the Company's shareholders in full of their subscription rights to series L shares, and amending the Company's Articles of Association. Pursuant to the resolution, the Company is allowed to issue registered bonds, in one or more series, unsecured, convertible into ordinary bearer shares of the Company's L series, with an aggregate nominal value of these bonds not exceeding EUR 10,000,000 (ten million euros) with a nominal value of EUR 100,000 (one hundred thousand euros) each bond.

The bondholder will have the right to:

- (a) the payment of interest on the interest dates provided for in the terms of issue;
- (b) to pay on the redemption date (or on the early redemption date as defined above) the nominal value of each of the Bonds to be redeemed (together with interest accrued up to that date and previously unpaid);
- (c) acquisition of ordinary bearer series L shares of the Company, with a nominal value of PLN 0.01 (one grosz) each.

In addition, for the purpose of the bond issue, a conditional share capital increase of the Company was adopted. The conditional share capital of the Company issued for the purpose of the bond issue is PLN 90,000 (ninety thousand zlotys). The purpose of the conditional share capital increase is to grant holders of convertible bonds the right to acquire up to 9,000,000 (nine million) series L shares with a nominal value of PLN 0.01 (one grosz) each, with full exclusion of the pre-emptive rights of the Company's existing shareholders.

The shares will be taken up by bondholders at an issue price set at no less than PLN 5.50. Series L shares, once issued and taken up by entitled persons, will be introduced to trading on the regulated market operated by the Warsaw Stock Exchange.



The redemption date of the bonds will be on the first anniversary of the date of issuance of the bonds, subject to the possibility of early redemption: (a) at the request of the bondholder(s) - in cases specified in the terms of issue; or (b) at the request of the Company - on the terms and conditions specified in the terms of issue (in particular, it is permissible to specify in the terms of issue a commission to bondholders for early redemption at the request of the Company).

In execution of the resolution of General Meeting on 14.07.2023 the Management Board adopted a resolution on the issuance of up to 60 (sixty) series F registered bonds, convertible into series L ordinary bearer shares of the Company, with an aggregate nominal value of up to EUR 6,000,000 (six million euros) with a nominal value of EUR 100,000 (one hundred thousand euros) each bond.

On 20.07.2023 the Management Board of the Company adopted a resolution on the allotment of 60 (sixty) series F bonds, registered, unsecured, non-documentary, convertible into series L ordinary bearer shares, with a par value equal to the issue price of EUR 100,000 (one hundred thousand euros) each bond and a total par value of EUR 6,000,000 (six million euros), bearing interest at a fixed annual rate of 8%.

## 16. Collaterals

On 29.04.2022 CI Games signed a loan agreement with PKO BP S.A. A. a multi-purpose loan facility in the amount up to PLN 29 mln. The loan was granted for the period from 29.04.2022 to 31.12.2023. The loan can be drawn in EUR or/and PLN depending on the Company's disposal. The interest on the loan is set up at WIBOR 1M for loan in PLN and EURIBOR 1M for loan in EUR increased by the bank's margin. On 22.06.2022 the Company established below mentioned loan's collaterals:

- the guarantee issued by Bank Gospodarstwa Krajowego up to PLN 23.2 mln and a blank promissory note issued for the benefit of Bank Gospodarstwa Krajowego;
- a notarized declaration of submission to enforcement up to PLN 49.3mln in accordance with art. 777 §1, point 5 of Commercial Civil Code.

On 27.03.2023 CI Games SE signed a loan agreement with PKO BP S.A. in the amount of PLN 20 mln. The loan is dedicated to financing production and marketing of Lords of the Fallen. The loan was granted for the period from 27.03.2023 up to 30.11.2023. The Company established below mentioned loan's collaterals:

- the guarantee issued de minimis by Bank Gospodarstwa Krajowego in the amount of PLN 7,028,000 and a blank promissory note issued for the benefit of Bank Gospodarstwa Krajowego;
- a notarized declaration of submission to enforcement up to PLN 30 mln in accordance with art. 777 §1, point 5 of Commercial Civil Code.
- Registered and civil pledge on 10,400 thousand of shares of CI Games SE owned by Mr. Marek Tymiński, CEO of the Company.

## 17. Information on one or many transactions entered into by the Issuer or any of their subsidiaries with related entities, if these are significant individually or jointly and were concluded on non-market conditions, indicating their value

In the reporting period, neither the Parent Entity nor any of its subsidiaries entered into transactions on non-market or unusual terms and conditions or on conditions that would go beyond the ordinary course of operations of the enterprise with its related entities, which would be of significance jointly or individually.

## **18. Information related to paid out (or declared) dividend**

In the three quarters of 2023, there was no paid nor declared dividend.

The Ordinary General Meeting of Shareholders of CI Games SE dated 29.06.2023 passed a resolution to allocate profit earned in 2022 of PLN 7,135,302.16 in the following way: amount of PLN 7,135,000.00 (in words: seven million one hundred and thirty five thousand zloty) to the Company's supplementary capital.

## **19. Other information, which, in the opinion of the Management Board of the Company, is significant for assessment of its employment, assets, financial situation, financial result and any changes to the above and information, which is significant for assessment of ability of the Issuer to fulfill their obligations in the reporting period**

In the third quarter of 2023, no events occurred, which would exert a negative impact on assessment of capability of the Dominant entity and the Capital Group to settle their liabilities.

The Company plans to finance games' production from operating activity and a loan for financing production of "Lords of the Fallen" game and an overdraft multipurpose loan facility (both loans were granted by PKO BP S.A.).

## **20. Opinion of the Management Board of the Company with regard to capability of achieving the forecast results for the financial year, in the context of results presented in the quarterly report in relation to the forecast results**

The Management Board has not published forecasts of the financial results of CI Games Capital Group nor CI Games SE in 2023.

## **21. Information about impact of the war in Ukraine on the financial statements of the Group**

The war in Ukraine did not have impact on the financial statements of the Company nor the Group. There is no risk of going concern as the Group's operations in Russia and Ukraine are limited.

## 22. Events after the balance sheet date

- On 13.10.2023, the game “Lords of the Fallen” was released – details described in Section IV, point 4.2.
- On 31.10.2023 the Company signed two annexes to the loan agreements concluded with the bank Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, based in Warsaw, the subject of which is the extension of loan periods:
  - extension of the term of the loan until 31.01.2024 (an annex to the multi-purpose credit limit agreement concluded on 29.04.2022 for the amount of PLN 29 million);
  - extension of the term of the loan until 31.12.2023 (an annex to the non-revolving operating loan agreement concluded on 27.03.2023 between for the amount of PLN 20 million).

In terms of the other material provisions of the aforementioned loan agreements, the agreements remained unchanged.

- On 27.10.2023, the Court of Appeal in Warsaw, 7th Commercial and Intellectual Property Division, dismissed the Company’s appeal related to unduly executed bank guarantees – details described in Section IV, point 9.

## 23. Off balance sheet liabilities

On 21.04.2023, the Company received a lawsuit filed by the E.P. Retail sp. z o.o., E.P. Office 2 sp. z o.o., E.P. Office 1 sp. z o.o. and E.P. Apartments sp. z o.o. in the District Court in Warsaw, whereby demand payment of PLN 483,636.15 and EUR 542,645.83 with interests. The claim consists of claims for contractual penalties, damages and reimbursement under the rental agreement concluded on 10.11.2017. The Company, filed a response to the lawsuit in which it disputes the claims.

On 19.05.2023, the Company entered into an intermediary agreement with Trigon Dom Maklerski S.A., for the acquisition of shares of United Label S.A. This agreement relates to the acquisition through Trigon Dom Maklerski S.A. of up to 30,000 shares of United Label S.A. at a price of PLN 18.05 in one or more session, package or off-market transactions executed up to and including 30.05.2023. Pursuant to this agreement, the Company is obliged to repurchase from the brokerage house all the acquired shares of United Label S.A. by 30.12.2023. The value of the contingent liability amounts to PLN 519 thousand.

## 24. Indication of events and factors that occurred after the date of the annual financial statements, not included in this report, which may nevertheless exert significant impact on the future financial results of the Issuer

- On 13.10.2024, the game “Lords of the Fallen” was released and it would have a significant impact on the financial results of the Group in the next quarters. An intensive marketing campaign commenced before releasing the game, which had a negative impact on the financial results in the for nine months of this year and significantly impacted on the elements of working capital.
- Termination of the production contract with Battlefields s.r.o. for the production of “Survive” has impact of headcount, the related costs and changes in the structure of the capital expenditures.
- Most the Group capital investment will relate to finalizing the production of “Lords of the Fallen”, and continuance of the production of “Survive” and a new project realized by an internal studio Hexworks.
- The Group will continue to sell “Sniper Ghost Warrior Contracts” and “Sniper Ghost Warrior Contracts 2”, and games from United Label S.A. (“RÖKI”, “Eldest Souls”, “Tails of Iron”) with the large majority of sales being generated from digital distribution channels.

- The Group will further look to expand its product portfolio both as CI Games and United Label S.A. publishing labels. The Group has been working on several internally created game concepts that some of them may be green lighted to a full commercial production and publishing. The Group has been as well in ongoing publishing discussions with various development studios across the globe.

## V. QUARTERLY STANDALONE FINANCIAL STATEMENTS OF CI GAMES SE

### SELECTED FINANCIAL INFORMATION

Profit and Loss Accounts	for the period from 1.01 to 30.09.2023		for the period from 1.01 to 30.09.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Net revenue from sales	52,718	11,517	36,363	7,757
Profit (loss) from operating activities	(3,066)	(670)	6,537	1,394
Gross profit (loss)	(6,196)	(1,354)	9,761	2,082
<b>Net profit (loss)</b>	<b>(5,030)</b>	<b>(1,099)</b>	<b>9,342</b>	<b>1,993</b>
Weighted average number of shares (in thousands)	182,943	182,943	182,943	182,943
Profit (loss) per ordinary share (PLN/share)	(0.03)	(0.01)	0.05	0.01

Statement of cash flow	for the period from 1.01 to 30.09.2023		for the period from 1.01 to 30.09.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Net cash flows from operating activities	22,034	4,814	38,941	8,306
Net cash flows from investing activities	(70,067)	(15,307)	(55,875)	(11,919)
Net cash flows from financing activities	49,612	10,839	3,369	719
<b>Net cash flows</b>	<b>1,579</b>	<b>345</b>	<b>(13,565)</b>	<b>(2,894)</b>

Balance sheet	as of 30.09.2023		as of 31.12.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Non-current assets	232,760	50,211	167,922	35,805
Current assets	38,009	8,199	22,969	4,898
<b>Total assets</b>	<b>270,769</b>	<b>58,411</b>	<b>190,891</b>	<b>40,703</b>
Equity	140,401	30,288	140,121	29,877
Initial capital	1,829	395	1,829	390
<b>Liabilities</b>	<b>130,368</b>	<b>28,123</b>	<b>50,770</b>	<b>10,825</b>
Non-current liabilities	2,215	478	4,638	989
Current liabilities	128,153	27,645	46,132	9,836
<b>Total equity and liabilities</b>	<b>270,769</b>	<b>58,411</b>	<b>190,891</b>	<b>40,703</b>

## STATEMENT OF FINANCIAL CONDITIONS

ASSETS	as of 30.09.2023	as of 30.06.2023	as of 31.12.2022	as of 30.09.2022
	PLN'001	PLN'001	PLN'000	PLN'000
<b>A. Non-current assets</b>	<b>232,760</b>	<b>213,874</b>	<b>167,922</b>	<b>148,542</b>
Property, plant and equipment	1,282	1,347	1,458	1,556
Intangible assets	211,191	196,257	149,883	129,551
Right-to-use asset	2,512	2,747	3,397	3,646
Other non current financial assets	7,557	7,557	7,557	7,557
Long term investments	4,379	4,168	4,318	4,445
Deferred tax asset	5,310	1,313	835	1,312
Long term receivables	529	485	474	475
<b>B. Current assets</b>	<b>38,009</b>	<b>21,333</b>	<b>22,969</b>	<b>30,376</b>
Inventories	8,906	1,207	1,171	1,898
Other short term financial assets	-	-	346	-
Trade receivables and other receivables	23,632	16,496	17,296	21,661
Current tax asset	-	577	292	4,532
Cash and cash equivalents	5,471	3,053	3,864	2,285
<b>Current assets other than assets or disposal classified as held for sales or as held for distribution to owners</b>	<b>38,009</b>	<b>21,333</b>	<b>22,969</b>	<b>30,376</b>
<b>Non-current assets classified as held for sale or as held for distribution to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>270,769</b>	<b>235,207</b>	<b>190,891</b>	<b>178,918</b>
<b>LIABILITIES &amp; EQUITY</b>				
	as of 30.09.2023	as of 30.06.2023	as of 31.12.2022	as of 30.09.2022
	PLN'001	PLN'001	PLN'000	PLN'000
<b>A.</b>	<b>140,401</b>	<b>138,910</b>	<b>140,121</b>	<b>141,759</b>
Share capital	1,829	1,829	1,829	1,829
Share premium	74,484	74,484	74,484	74,484
Reserve capital for the acquisition of shares	23,213	20,385	17,903	17,334
Retained earnings	40,875	42,212	45,905	48,112
including profit for the period	(5,030)	(3,693)	7,135	9,432
<b>B. LIABILITIES</b>	<b>130,368</b>	<b>96,297</b>	<b>50,770</b>	<b>37,159</b>
<b>Non-current liabilities</b>	<b>2,215</b>	<b>3,484</b>	<b>4,638</b>	<b>5,742</b>
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	1,719	1,916	2,783	3,202
Deferred income tax provision	496	1,568	1,855	2,540
<b>Current liabilities</b>	<b>128,153</b>	<b>92,813</b>	<b>46,132</b>	<b>31,417</b>
Borrowings including credits, loans and other debt instruments	72,932	49,124	18,575	4,305
Income tax liabilities	4,251	-	-	-
Trade liabilities and other liabilities	47,141	41,609	25,528	23,350
Finance lease liabilities	1,102	1,068	1,219	1,276
Current provisions	2,727	1,012	810	2,486
<b>Current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>128,153</b>	<b>92,813</b>	<b>46,132</b>	<b>31,417</b>
<b>Liabilities included in disposal groups classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>270,769</b>	<b>235,207</b>	<b>190,891</b>	<b>178,918</b>

**PROFIT AND LOSS ACCOUNT AND COMPREHENSIVE INCOME**  
**(costs by function)**

Statement of comprehensive income	for the period from 1.01 to 30.09.2023	for the period from 1.07 to 30.09.2023	for the period from 1.01 to 30.09.2022	for the period from 1.07 to 30.09.2022
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Continuing operations</b>				
<b>Net revenue from sales</b>	<b>52,718</b>	<b>36,078</b>	<b>36,363</b>	<b>9,339</b>
<b>Costs of products, goods and services sold</b>	<b>(23,375)</b>	<b>(17,961)</b>	<b>(8,547)</b>	<b>(2,882)</b>
<b>Gross profit (loss) on sales</b>	<b>29,343</b>	<b>18,117</b>	<b>27,816</b>	<b>6,457</b>
Other operating revenues	74	15	129	82
Selling costs	(17,686)	(10,702)	(9,531)	(6,497)
General and administrative costs	(13,037)	(4,618)	(11,540)	(4,502)
Other operating expenses	(152)	(51)	(341)	(89)
Impairment loss/impairment gain and reversal of impairment loss	(1,608)	(722)	4	-
<b>Profit (loss) on operating activities</b>	<b>(3,066)</b>	<b>2,039</b>	<b>6,537</b>	<b>(4,549)</b>
Financial revenues	110	(1,570)	3,762	1,167
Financial expenses	(3,240)	(2,210)	(538)	(366)
<b>Profit (loss) before tax</b>	<b>(6,196)</b>	<b>(1,741)</b>	<b>9,761</b>	<b>(3,748)</b>
Income tax	1,166	404	(419)	145
<b>Profit (loss) on continuing operations</b>	<b>(5,030)</b>	<b>(1,337)</b>	<b>9,342</b>	<b>(3,603)</b>
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
<b>Net profit (loss)</b>	<b>(5,030)</b>	<b>(1,337)</b>	<b>9,342</b>	<b>(3,603)</b>
<b>Total other comprehensive income, including:</b>				
<b>Total income for the financial year</b>	<b>(5,030)</b>	<b>(1,337)</b>	<b>9,342</b>	<b>(3,603)</b>
Weighted average diluted number of shares (in thousands)	182,943	182,943	182,943	182,943
Number of diluted shares (thousand units)	189,750	192,269	185,836	186,836
Basic earnings/loss per share (PLN)	(0.03)	(0.01)	0.05	(0.02)
Diluted earnings/loss per share (PLN)	(0.03)	(0.01)	0.05	(0.02)

## CASH FLOW STATEMENT

### (indirect method)

	for the period from 1.01 to 30.09.2023	for the period from 1.07 to 30.09.2023	for the period from 1.01 to 30.09.2022	for the period from 1.07 to 30.09.2022
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Cash flows from operating activities</b>				
Gross profit (loss)	(6,196)	(1,741)	9,761	(3,748)
<b>Total adjustments</b>	<b>28,356</b>	<b>5,723</b>	<b>29,399</b>	<b>18,854</b>
Depreciation and amortization	10,093	6,878	4,468	1,148
Impairment loss (reversal)	1,587	721	180	52
Profit (loss) on foreign exchange differences	2,035	2,817	32	(178)
Correction of financial income (cost)	2,099	1,416	111	29
Profit (loss) on investment activity	(1)	-	(45)	(45)
Change in receivables	(7,998)	(7,901)	14,431	9,822
Change in inventory	(7,715)	(7,699)	532	181
Change in trade and other payables	21,514	5,432	9,218	7,890
Change in provisions	6,742	4,058	472	(45)
Other adjustments	-	1	-	-
<b>Net cash flows from operating activities</b>	<b>22,160</b>	<b>3,982</b>	<b>39,160</b>	<b>15,106</b>
Paid corporate income tax (return) related to operating activity	(126)	162	(263)	(117)
<b>Net cash flows from operating activities (used in the operating activity)</b>	<b>22,034</b>	<b>4,144</b>	<b>38,897</b>	<b>14,989</b>
<b>Cash flows from investing activities</b>				
Repayment of loans granted	-	-	2,284	-
Cash inflows on disposal of property, plant and equipment and intangible assets	2	-	53	53
Cash outflows on acquisition of property, plant and equipment and intangible assets	(70,069)	(21,239)	(55,118)	(20,734)
Cash outflows on acquisition of financial assets	-	-	(3,041)	(3,041)
Cash outflows on loans granted	-	-	-	-
<b>Net cash from investing activities</b>	<b>(70,067)</b>	<b>(21,239)</b>	<b>(55,822)</b>	<b>(23,722)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from the issue of shares	-	-	-	-
Inflows from borrowings	25,453	(6,221)	4,292	4,305
Repayment of borrowings	-	-	-	-
Repayment of finance lease liabilities	(869)	(284)	(699)	(346)
Interest	(1,538)	(626)	(58)	(30)
Other financial inflows (outflows) related to financial activity	26,566	26,654	(166)	(38)
<b>Net cash from financing activities</b>	<b>49,612</b>	<b>19,523</b>	<b>3,369</b>	<b>3,891</b>
<b>Total net cash flows</b>	<b>1,579</b>	<b>2,428</b>	<b>(13,556)</b>	<b>(4,842)</b>
Exchange differences on cash and cash equivalents	28	(10)	32	207
Balance sheet changes in cash and cash equivalents	1,607	2,418	(13,524)	(4,635)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,864</b>	<b>3,053</b>	<b>15,809</b>	<b>6,920</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,471</b>	<b>5,471</b>	<b>2,285</b>	<b>2,285</b>



## CHANGES IN EQUITY

For the period from 01.01. to 30.09.2023	Share capital	Share premium	Other reserve capiatl	Retained earnings	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As of 01.01.2023</b>	<b>1,829</b>	<b>74,484</b>	<b>17,903</b>	<b>45,905</b>	<b>140,121</b>
<b>As of 01.01.2023, upon conversion</b>	<b>1,829</b>	<b>74,484</b>	<b>17,903</b>	<b>45,905</b>	<b>140,121</b>
Profit (loss) for the period	-	-	-	(5,030)	(5,030)
Increase (decrease) as the result of other changes in equity	-	-	485	-	485
Issue of shares	-	-	-	-	-
Valuation of motivational program	-	-	4,825	-	4,825
<b>Changes in equity</b>	<b>-</b>	<b>-</b>	<b>5,310</b>	<b>(5,030)</b>	<b>280</b>
<b>As of 30.09.2023</b>	<b>1,829</b>	<b>74,484</b>	<b>23,213</b>	<b>40,875</b>	<b>140,401</b>

For the period from 01.01. to 31.12.2022	Share capital	Share premium	Other reserve capiatl	Retained earnings	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As of 01.01.2022</b>	<b>1,829</b>	<b>74,484</b>	<b>16,000</b>	<b>38,770</b>	<b>131,083</b>
<b>As of 01.01.2022, upon conversion</b>	<b>1,829</b>	<b>74,484</b>	<b>16,000</b>	<b>38,770</b>	<b>131,083</b>
Profit (loss) for the period	-	-	-	7,135	7,135
Increase (decrease) as the result of other changes in equity	-	-	-	-	-
Issue of shares	-	-	-	-	-
Valuation of motivational program	-	-	1,903	-	1,903
<b>Changes in equity</b>	<b>-</b>	<b>-</b>	<b>1,903</b>	<b>7,135</b>	<b>9,038</b>
<b>As of 31.12.2022</b>	<b>1,829</b>	<b>74,484</b>	<b>17,903</b>	<b>45,905</b>	<b>140,121</b>

For the period from 01.01. to 30.09.2022	Share capital	Share premium	Other reserve capiatl	Retained earnings	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As of 01.01.2022</b>	<b>1,829</b>	<b>74,484</b>	<b>16,000</b>	<b>38,770</b>	<b>131,083</b>
<b>As of 01.01.2022, upon conversion</b>	<b>1,829</b>	<b>74,484</b>	<b>16,000</b>	<b>38,770</b>	<b>131,083</b>
Profit (loss) for the period	-	-	-	9,342	9,342
Increase (decrease) as the result of other changes in equity	-	-	-	-	-
Issue of shares	-	-	-	-	-
Valuation of motivational program	-	-	1,334	-	1,334
<b>Changes in equity</b>	<b>-</b>	<b>-</b>	<b>1,334</b>	<b>9,342</b>	<b>10,676</b>
<b>As of 30.09.2022</b>	<b>1,829</b>	<b>74,484</b>	<b>17,334</b>	<b>48,112</b>	<b>141,759</b>

For the period from 01.01. to 31.12.2022	Share capital	Share premium	Other reserve capiatl	Retained earnings	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As of 01.01.2022</b>	<b>1,829</b>	<b>74,484</b>	<b>16,000</b>	<b>38,770</b>	<b>131,083</b>
<b>As of 01.01.2022, upon conversation</b>	<b>1,829</b>	<b>74,484</b>	<b>16,000</b>	<b>38,770</b>	<b>131,083</b>
Profit (loss) for the period	-	-	-	7,135	7,135
Increase (decrease) as the result of other changes in equity	-	-	-	-	-
Issue of shares	-	-	-	-	-
Valuation of motivational program	-	-	1,903	-	1,903
<b>Changes in equity</b>	<b>-</b>	<b>-</b>	<b>1,903</b>	<b>7,135</b>	<b>9,038</b>
<b>As of 31.12.2022</b>	<b>1,829</b>	<b>74,484</b>	<b>17,903</b>	<b>45,905</b>	<b>140,121</b>

All the mid-year financial information essential for the assessment of the Issuer's assets and financial position were included in the abridged consolidated financial statement for 30 September 2023.

The following abridged mid-year financial statement of the Company, prepared as of 30.09.2023, should be read in conjunction with CI Games financial statement for December 31, 2022, published on 28.04.2023.

# APPROVAL OF THE QUARTERLY REPORT

The following quarterly report for the period from January 1 to September 30, 2023, have been signed and approved for the release by CI Games SE Management Board on 28.11.2022.

## **Management Board of CI Games SE**

**Marek Tymiński**

President of the Management Board

**David Broderick**

Vice President of the Management Board

