



CI GAMES CAPITAL GROUP

Consolidated financial statements for 2024

Warsaw, 23th April 2025

This report is translation of the Polish version. In case of discrepancies between the language versions, Polish version shall prevail

SELECTED FINANCIAL DATA

Consolidated profit and loss account	for the period from 1 January to 31 December 2024		for the period from 1 January to 31 December 2023*	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net sales revenues	80,788	18,770	236,343	52,191
Profit (loss) from operating activities	(3,923)	(911)	23,430	5,174
Profit (loss) before tax	(5,913)	(1,374)	18,225	4,025
Net profit (loss)	(6,614)	(1,537)	7,560	1,669
Weighted average number of shares (in thousands)	183,656	183,656	182,943	182,943
Weighted average number of diluted shares (in thousands)	183,656	183,656	185,962	185,962
Profit (loss) attributable to the parent entity per ordinary share (in PLN)	(0.04)	(0.01)	0.03	0.01
Diluted earnings (loss) per share (in PLN)	(0.04)	(0.01)	0.03	0.01

*data transformed

Consolidated cash flow statement	for the period from 1 January to 31 December 2024		for the period from 1 January to 31 December 2023*	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Net cash flow from operating activities	89,520	20,798	71,106	15,702
Net cash flow from investing activities	(77,957)	(18,112)	(82,994)	(18,327)
Net cash flow from financing activities	(35,581)	(8,267)	35,435	7,825
Net cash flow	(24,018)	(5,580)	23,547	5,200

*data transformed

Consolidated balance sheet	as of 31.12.2024		as of 31.12.2023*	
	thousand PLN	thousand EUR	thousand PLN	thousand EUR
Fixed assets	209,367	48,998	188,678	43,394
Current assets	24,591	5,755	78,828	18,130
Total assets	233,958	54,753	267,506	61,524
Equity capital	155,637	36,423	152,790	35,140
Share capital	1,908	447	1,829	421
Obligations	78,321	18,329	114,716	26,384
Long-term liabilities	48,576	11,368	23,053	5,302
Short-term liabilities	29,745	6,961	91,663	21,082
Total liabilities	233,958	54,753	267,506	61,524

*data transformed

Balance sheet data were converted at the average exchange rate announced by the President of the National Bank of Poland on the date of preparation of the financial statements, which on the balance sheet date was:

- as of 31.12.2024 - 4.2730 PLN/EUR
- as of 31.12.2023 - 4.3480 PLN/EUR

The profit and loss account and cash flow statement data were converted into EURO at the exchange rate determined as the arithmetic mean of the average exchange rates announced by the President of the National Bank of Poland on the last day of each month of the year:

- for 2024 - 4.3042 PLN/EUR
- for 2023 - 4.5284 PLN/EUR

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I. BASIC FINANCIAL DATA OF CI GAMES CAPITAL GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	As of 31.12.2024 PLN'000	as of 31.12.2023* PLN'000	as of 01.01.2023 PLN'000
Non-current assets		209,367	188,678	158,466
Property, plant and equipment	1	1,197	1,367	1,528
Intangible assets	2	188,628	168,707	152,044
Right-to-use asset	3	392	2,276	3,397
Long term investments	4	9,931	-	-
Deferred tax asset	5	8,223	15,790	1,017
Long term receivables	6	611	538	480
Long term lease receivables	7	385	-	-
Current assets		24,591	78,828	20,795
Inventory	8	389	1,502	1,171
Current investments		-	-	346
Trade and other receivables	9	14,029	43,622	12,242
Short term lease receivables	7	976	-	-
Tax receivables	10	2,910	3,471	418
Cash and cash equivalents	11	6,287	30,233	6,618
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners		24,591	78,828	20,795
Non-current assets classified as held for sale or as held for distribution to owners		-	-	-
Assets		233,958	267,506	179,261
EQUITY		155,637	152,790	142,217
Share capital	12	1,908	1,829	1,829
Share premium	13	88,505	78,653	78,653
Other reserve capital	14	35,412	21,735	18,203
Retained earnings	16	27,228	47,864	42,128
Equity attributable to owners of the Parent		153,053	150,081	140,813
Equity attributable to non-controlling interests	15	2,584	2,709	1,404
LIABILITIES		78,321	114,716	37,044
Non-current liabilities		48,576	23,053	4,644
Loans, credit and other debt instruments	18	-	-	-
Trade liabilities and other liabilities	20	35,309	-	-
Finance lease liabilities	19	411	1,359	2,783
Deferred income tax provision	5	12,856	21,694	1,861
Current liabilities		29,745	91,663	32,400
Borrowings including credits, loans and other debt instruments	18	14,981	57,750	18,575
Income tax liabilities	10	417	123	66
Trade liabilities and other liabilities	21	11,393	29,640	11,641
Finance lease liabilities	19	1,301	1,025	1,219
Other current provisions	22	1,653	3,125	899
Current liabilities other than liabilities included in disposal groups classified as held for sale		29,745	91,663	32,400
Liabilities included in disposal groups classified as held for sale		-	-	-
Total equity and liabilities		233,958	267,506	179,261

* data transformed

CONSOLIDATED PROFIT AND LOSS ACCOUNT
AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(calculation variant)

	Note	for the period from 1 January to 31 December 2024	for the period from 1 January to 31 December 2023*
Continuing operations			
Net revenue from sales	26	80,788	236,343
Costs of products, goods and services sold	27	(58,332)	(108,408)
Gross profit (loss) on sales		22,456	127,935
Other operating revenues	28	2,011	947
Selling costs		(11,702)	(85,476)
General and administrative costs		(14,098)	(17,203)
Other operating expenses	29	(3,279)	(1,274)
Impairment loss/impairment gain and reversal of impairment loss	30	689	(1,499)
Profit (loss) on operating activities		(3,923)	23,430
Financial revenues	31	560	-
Financial expenses	32	(2,550)	(5,205)
Profit (loss) before tax		(5,913)	18,225
Income tax	33	(701)	(10,665)
Profit (loss) on continuing operations		(6,614)	7,560
Discontinued operations		-	-
Loss from discontinued operations		-	-
Net profit (loss)		(6,614)	7,560
- net profit (loss) attributable to equity owners of the Parent		(6,923)	6,112
- net profit (loss) attributable to non-controlling interest		309	1,448
Total other comprehensive income, including:			
Other comprehensive income that will be reclassified to profit or loss before tax		(178)	(432)
Foreign exchange differences from translation of foreign entities		(178)	(432)
Other comprehensive income before tax		(178)	(432)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		-	-
Other net comprehensive income		(178)	(432)
TOTAL COMPREHENSIVE INCOME		(6,792)	7,128
- total net comprehensive income attributable to equity owners of the Parent		(7,101)	5,680
- total net comprehensive income attributable to non-controlling interest		309	1,448
Weighted average number of ordinary shares (thousand)	34	183,656	182,943
Basic profit (basic loss) per share	34	(0.04)	0.03
Diluted earnings per share	34	(0.04)	0.03

* data transformed

CONSOLIDATED CASH FLOW STATEMENT

(indirect method)

	for the period from 1 January to 31 December 2024	for the period from 1 January to 31 December 2023*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	(5,913)	18,225
Adjustments made to reconcile profit (loss)	96,550	61,482
Adjustments for depreciation and amortization	47,619	67,525
Adjustments resulting from impairment losses (reversals of impairment losses) recognized in financial result	(985)	2,629
Adjustments resulting from unrealized gains (losses) due to exchange rate differences	(717)	(485)
Adjustments for financial income (expenses)	2,519	2,922
Adjustments for losses (gains) from the sale of fixed assets	(179)	(1)
Adjustments resulting from decreases (increases) in trade and other receivables	30,047	(32,936)
Adjustments for decrease (increase) in the value of inventories	1,463	(1,462)
Adjustments resulting from increases (decreases) in the value of trade and other liabilities	17,107	17,584
Adjustments for provisions	(295)	5,706
Other adjustments made to reconcile profit (loss)	(29)	-
Cash revenues from operating activities	90,637	79,707
Income tax paid (refund), included in operating activities	(1,117)	(8,601)
Cash flow from operating activities (used in operating activities)	89,520	71,106
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash received from repayment of advances and loans to third parties classified as investing activities	-	-
Proceeds from the sale of tangible fixed assets, intangible assets other than goodwill, investment properties and other fixed assets	183	2
Purchase of tangible fixed assets, intangible assets other than goodwill, investment properties and other fixed assets	(68,209)	(82,996)
Cash advances and loans to third parties classified as investing activities	(9,931)	-
Net cash from investing activities	(7,957)	(82,994)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bond issue	-	26,695
Proceeds from the issue of shares	9,931	-
Loan proceeds included in financial activities	13	20,080
Bond repayment	(25,758)	-
Loan repayments included in financial activities	(15,895)	(7,724)
Payment of leasing liabilities included in financing activities	(1,210)	(1,149)
Interest paid, included in financing activities	(3,110)	(2,306)
Other cash inflows (outflows) included in financing activities	448	(161)
Cash flow from financing activities (used in financing activities)	(35,581)	35,435
TOTAL NET CASH FLOW	(24,018)	23,547
The effects of changes in exchange rates on cash and cash equivalents	72	68
Increase (decrease) in cash and cash equivalents	(23,946)	23,615
CASH AT THE BEGINNING OF THE PERIOD	30,233	6,618
CASH AT THE END OF THE PERIOD	6,287	30,233

* data transformed

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

for the period from 1 January to 31 December 2024	Share capital	Capital from the issue of shares above their nominal value	Other reserve capital	Retained earnings	Parent company equity	Equity of non-controlling entities	Total equity
AS OF 01.01.2024	1,829	78,653	22,316	54,799	157,597	2,681	160,278
Correction of previous years' results	-	-	(581)	(6,935)	(7,516)	28	(7,488)
AS OF 01.01.2024, AFTER TRANSFORMATION	1,829	78,653	21,735	47,864	150,081	2,709	152,790
Net profit (loss) for the period	-	-	-	(6,923)	(6,923)	309	(6,614)
Other comprehensive income	-	-	(178)	-	(178)	-	(178)
Total comprehensive income	-	-	(178)	(6,923)	(7,101)	309	(6,792)
Increase (decrease) as the result of other changes in equity	-	-	12,678	(12,678)	-	-	-
Issuance of capital instruments	79	9,852	-	-	9,931	-	9,931
Incentive program valuation	-	-	1,177	-	1,177	-	1,177
Increase (Decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	(1,035)	(1,035)	(434)	(1,469)
CHANGES IN EQUITY	79	9,852	13,677	(20,636)	2,972	(125)	2,847
AS OF 31.12.2024	1,908	88,505	35,412	27,228	153,053	2,584	155,637

for the period from 1 January to 31 December 2023*	Share capital	Capital from the issue of shares above their nominal value	Other reserve capital	Retained earnings	Parent company equity	Equity of non-controlling entities	Total equity
AS OF 01.01.2023	1,829	78,653	18,203	42,128	140,813	1,404	142,217
Corrections	-	-	-	-	-	-	-
AS OF 01.01.2023, AFTER TRANSFORMATION	1,829	78,653	18,203	42,128	140,813	1,404	142,217
Net profit (loss) for the period	-	-	-	6,112	6,112	1,448	7,560
Other comprehensive income	-	-	(432)	-	(432)	-	(432)
Total comprehensive income	-	-	(432)	6,112	5,680	1,448	7,128
Increase (decrease) as the result of other changes in equity	-	-	-	-	-	-	-
Issuance of capital instruments	-	-	485	-	485	-	485
Incentive program valuation	-	-	3,479	-	3,479	-	3,479
Increase (Decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	(376)	(376)	(143)	(519)
CHANGES IN EQUITY	-	-	3,532	5,736	9,268	1,305	10,573
AS OF 31.12.2023	1,829	78,653	21,735	47,864	150,081	2,709	152,790

* data transformed

II. BASIC INFORMATION

1. Information about the CI Games Capital Group

- Name of the reporting entity: CI Games Capital Group
- Explanation of changes in the name of the reporting entity or other identifying data that have occurred since the end of the previous reporting period: on 17/03/2023, the District Court for the Capital City of Warsaw in Warsaw registered the transformation of CI Games S.A. into a European company
- Headquarters of the unit: Warsaw, Poland
- Legal form of the entity: European Company
- Country of registration: Poland
- Registered office address of the entity: Rondo Daszyńskiego 2B, 00-843 Warsaw, Poland
- Primary place of business: Warsaw, Barcelona, London, New York, Bucharest
- Description of the nature and basic scope of activity: production and sale of video games, publishing activity, duration of the Company unlimited,
- Tax Identification Number: 1181585759
- REGON: 017186320

Composition of the Management Board in 2024:

- Marek Tymiński – President of the Management Board
- David Broderick – Vice President of the Management Board – until 21.02.2024

The Supervisory Board operated in the following composition in 2024:

- Michel Foley – Chairman of the Supervisory Board
- Marcin Garliński – Member of the Supervisory Board
- Artur Osuchowski – Member of the Supervisory Board – until 25.06.2024
- Florian Schuhbauer – Member of the Supervisory Board
- Adam Niewiński – Member of the Supervisory Board
- Jeremy MJ Lewis – Member of the Supervisory Board.

2. Composition of the CI Games Capital Group

As of December 31, 2024, the CI Games Capital Group (the “Group”, “CI Games Capital Group”) consisted of the following entities:

- CI Games SE (“Company”, “CI Games”, “Parent Entity”) with its registered office in Warsaw. Share capital: PLN 1,908,248.80. Parent Entity. The Company is listed on the regulated market operated by the Warsaw Stock Exchange.
- United Label SA with its registered office in Warsaw. Share capital: PLN 127,500. 100% of shares directly held by CI Games SE. The remaining shares are held by individual shareholders. The company is listed on the NewConnect market (Alternative Trading System), run by the Warsaw Stock Exchange.
- CI Games USA Inc. headquartered in Delaware, United States of America. Share capital: USD 50,000. 100% of shares directly held by CI Games SE

- Business Area sp. z o. o. with its registered office in Warsaw. Share capital: PLN 5,000. 100% of shares directly owned by CI Games SE
- Business Area sp. z o.o. sp.j. with its registered office in Warsaw. 99.99% of shares directly owned by CI Games SE; remaining 0.01% owned by Business Area sp. z o.o.
- CI Games SA sp.j. with its registered office in Warsaw. 99.99% of shares held by Business Area sp. z o.o. sp.j.; the remaining 0.01% of shares directly held by CI Games SE
- CI Games UK Ltd. based in London, UK. Share capital: GBP 100; 100% owned by CI Games SE
- CI Games Mediterranean Projects SL with its registered office in Barcelona, Spain. Share capital: EUR 3,000. 75% of the shares directly held by CI Games SE, 25% of the shares held by Mclex sp. z o. o. with its registered office in Warsaw.
- CI Games Bucharest Studio SRL headquartered in Bucharest, Romania. Share capital: 200 LEI. 100% of shares directly owned by CI Games SE

3. Companies included in consolidation

The following companies are subject to consolidation:

Company	Share in capital	Share of voting rights	Consolidation method
CI Games Inc. USA	100%	100%	full
United Label S.A.	100%	100%	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 SA sp.j.	0.01%	0.01%	full
CI Games UK Ltd	100%	100%	full
CI Games Mediterranean Projects SL	75%	75%	full
CI Games Bucharest Studio SRL	100%	100%	Not subject to consolidation*

* due to the materiality level, i.e. the share of the balance sheet total of this subsidiary does not exceed 2% of the balance sheet total of the Parent Company

4. Statement of compliance and basis for preparation of financial statements

The scope of the financial statements is consistent with the International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board approved by the European Union and with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws 2018, item 757) (the "Regulation").

These consolidated financial statements for the financial year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS EU").

The Group applied consistent accounting principles in preparing the financial statements for the year ended 31 December 2024 with the principles applied in preparing the financial statements for 2023. The standards and interpretations that came into effect on 1 January 2024 are presented in point 10. The consolidated annual financial statements of the CI Games Capital Group (the "Group", "CI Games Group", "CI Games Capital Group") cover the period from 1 January 2024 to 31 December 2024. Comparable data cover the period from 1 January 2023 to 31 December 2023, and the balance sheet data present the status as at 31 December 2024, 31 December 2023 and 1 January 2023.

The presented consolidated financial statements give a true and fair view of the financial and asset position of the Group as at 31 December 2024, the results of its operations and its cash flows for the 12-month period ended 31 December 2024.

5. Assumption of going concern

The consolidated financial statements have been prepared assuming the going concern in the foreseeable future, i.e. for at least 12 months after the balance sheet date. The Issuer's Management Board is of the opinion that the Group is able to:

- conduct current operations and settle liabilities,
- continue producing further game titles.

The Group prepares financial forecasts containing forecasts of the income statement, balance sheet, including expenditures on game production and cash flows until 2028. The forecasts are updated periodically and when a factor occurs that requires an update of assumptions.

Due to the fact that the Group operates in a seasonal sector, where the highest revenues are recorded after the game's release date, and the Company does not plan any game release in 2025, the planned revenues in 2025 will be lower compared to 2024.

The Issuer's Management Board plans to finance its operations from operating income, new loans signed after the balance sheet date (details in Chapter III, Note 40) and advances from Epic Games Inc., which has exclusive rights to distribute the next game from the "Lords of the Fallen" series on the PC platform. The Group is also considering other options, such as signing additional publishing agreements or co-financing the production of additional projects, as well as increasing the Company's debt.

6. Functional currency and presentation currency of financial statements and principles of financial data translation for consolidation purposes

The functional currency of the Parent Company and the presentation currency of these consolidated financial statements is the Polish zloty (PLN). Any differences in the amount of PLN 1 thousand when summing up the items presented in the explanatory notes result from the adopted rounding.

Conversion of financial statements of foreign entities into PLN for consolidation purposes: asset and liability items – at the exchange rate at the end of the reporting period, while items of the statement of profit or loss and other comprehensive income and the statement of cash flows – at the average exchange rate in the reporting period (arithmetic average of the average exchange rates at the end of each month set by the National Bank of Poland ("NBP") in a given period).

Exchange rate differences arising from the above translations are recorded in equity under the item exchange rate differences on translation of entities operating abroad.

7. Professional judgment, assumptions and estimates

The preparation of consolidated financial statements in accordance with EU IFRS requires the Management Board to apply judgments, estimates and assumptions that affect the adopted accounting policies and the value of assets, liabilities, revenues and costs. The estimates and related assumptions are based on factors that are considered reasonable in the circumstances, and their results provide a basis for judgment as to the carrying value of assets and liabilities that does not result directly from other sources.

Management verifies estimates and assumptions on an ongoing basis and records changes in the period in which they were made. The actual value may differ from the estimated value.

Key areas where professional judgment, estimates and assumptions were applied:

- **Amortization of development work** – the basis for calculating amortization is the assessment of the consumption of future economic benefits obtained from a given asset. The Group annually reviews the adopted useful life.
- **Deferred tax asset** – The Group recognises a deferred tax asset based on the assumption that a taxable profit will be generated in the future to enable its utilization. The Company's Management Board analyses and verifies the estimates of the probability of recovering deferred tax assets based on changes in the factors taken into account when making these estimates.
- **Impairment of cash-generating units** and individual components of tangible fixed assets and intangible assets – determining impairment requires estimating the recoverable amount of the assets or cash-generating units. Significant assumptions taken into account in estimating this value include variables such as: discount rate and future economic benefits from the sale of games estimated as future net revenues from games.
- **Impairment of development work in progress** – The Company reviews development work at least once a year based on assumptions regarding plans and feasibility of completing the intangible asset, ability to use it, and estimates of future revenues on the existing market for the asset.
- **Markdown Reserves** – The Company estimates the value of reserves for potential markdowns of physical products based on past experience. The value of reserves is periodically reviewed taking into account the number of products available from distributors and forecasted selling prices.
- **Lessee's discount rate** – the discount rate applied to the lease agreement, defined as the lease interest rate less the risk-free rate and the credit risk premium.
- **Allowances for impairment of receivables** – estimated as expected credit losses for trade receivables and other settlements.
- **Inventory impairment loss** – estimated based on inventory aging and net realizable value as estimated selling price.
- **Uncertainty related to tax settlements** – regulations regarding value added tax, corporate income tax and social security charges are subject to frequent changes. Tax settlements and other areas of the Group's operations may be subject to inspection by authorities that are authorized to impose sanctions. The Group recognizes and measures current and deferred income tax assets or liabilities using the requirements of IAS 12 Income Taxes and IFRIC 23 based on tax profit (loss), tax base, unused tax losses and tax rates, taking into account an assessment of the uncertainty related to tax settlements.

8. Impact of the war in Ukraine in 2024 on the Group's financial results

The Group did not identify any impairment of fixed assets, expected credit losses and related write-downs on receivables, or the need for write-downs as a result of the war in Ukraine.

9. Accounting principles applied

Consolidation rules

i) Subsidiaries

Subsidiaries are entities controlled by the Parent Entity. Control exists when the Parent Entity:

- has power over the investee;
- is exposed to, or has rights to, variable returns generated as a result of its involvement with an investee;
- has the ability to exercise investor power in order to influence the level of returns generated by the investee.

The Parent Company consolidates subsidiaries which – provided they meet the materiality criteria, i.e. their balance sheet total exceeds 2% of the balance sheet total of the Parent Company – are subject to full consolidation from the date the Parent Company takes over control over them.

The consolidated financial statements of the CI Games Capital Group have been prepared using the acquisition method as the method of accounting for the acquisition on the date of the share acquisition transaction (full consolidation method). In preparing the consolidated financial statements, the Parent Company combines the financial statements of the Parent Company and subsidiaries by adding up individual items of assets, liabilities, share in equity, revenues and costs.

In order to ensure that the consolidated financial statements present financial information about the Capital Group as if it were a single economic entity, the carrying amount of the Parent Company's investment in the subsidiary and that part of the subsidiary's equity corresponding to the Parent Company's share are eliminated.

The financial results of entities acquired or sold during the year are included in the consolidated financial statements from/to the date of their acquisition or sale, respectively, if they constitute material values for the presented financial statements.

Where necessary, adjustments are made to the financial statements of subsidiaries or associates to align the accounting policies applied by the entity with those applied by the Parent Company.

ii) Consolidation adjustments

Balances of intra-Group settlements, transactions concluded within the Group and any resulting unrealized gains or losses, as well as the Group's income and expenses are eliminated in the preparation of the consolidated financial statements. Unrealized gains resulting from transactions with associates and jointly controlled entities are excluded from the consolidated financial statements in proportion to the Group's interest in those entities. Unrealized losses are eliminated from the consolidated financial statements on the same basis as unrealized gains, until there are indications of impairment.

Property, plant and equipment

Property, plant and equipment are fixed assets that are held for the purpose of using them in the production process or in the delivery of goods and services, for the purpose of handing them over to other entities for

use under a lease agreement and for which there is an expectation that they will be used for a period longer than one period.

Property, plant and equipment are valued at acquisition price or production cost as of the balance sheet date, less any accumulated depreciation and impairment losses.

Depreciation for these fixed assets begins at the time they are put into use (i.e. from the following month). For each new fixed asset taken on board, technical services are required, if possible, to separate the significant component part and determine the depreciation method.

Property, plant and equipment are depreciated using the straight-line method at the following rates:

- technical equipment and machines 20-60%,
- other fixed assets 20%.

Intangible assets

i) Intangible assets

The Group recognises an intangible asset only when:

- it is probable that the Group will achieve future economic benefits that are attributable to the asset, and
- the acquisition price or production cost of a given asset can be reliably determined.

Intangible assets include intangible assets with an initial value of at least PLN 5,000. The value of assets with the characteristics of intangible assets with a value not exceeding PLN 5,000 is included in the costs of current operating activities.

Intangible assets are amortized on a straight-line basis at the following rates:

- licenses 20%-90%,
- computer software 50%.

ii) Development work

The Group classifies game development costs as "Development work."

Development costs incurred before the start of production or the application of new technological solutions are included in intangible assets if the Group is able to prove:

- the technical feasibility of completing the intangible asset so that it is suitable for use or sale,
- the intention to complete the intangible asset and use or sell it,
- the ability to use or sell an intangible asset,
- how the intangible asset will generate probable economic benefits. Among other things, the Company should demonstrate the existence of a market for the output of the intangible asset or for the intangible asset itself or, if the intangible asset is to be used internally, the usefulness of the intangible asset,
- the availability of appropriate technical, financial and other resources to complete the development work and use or sell the intangible asset,
- the ability to reliably determine the costs incurred during development work that can be assigned to this intangible asset.

The amortization period is equal to the economic useful life of the resource. Development costs are depreciated in proportion to sales over the expected period of achieving economic benefits, but no longer than 5 years.

The Group does not amortize development costs with an indefinite useful life.

Borrowing costs (e.g. interest on loans and borrowings and exchange rate differences on loans and borrowings in foreign currencies) that can be directly attributed to the acquisition or production of an asset increase the acquisition price or production cost of that asset.

iii) Intangible assets under construction

The costs of work related to publishing activities (rights to distribute games in a subsidiary) are recorded in the balance sheet under "Intangible assets under construction".

After the release date, they are recognized in intangible assets as intangible assets "Distribution rights" and amortized on a straight-line basis over a period of 3 years.

iv) Impairment

At the balance sheet date, the Group reviews assets to determine whether there is any indication that they may be impaired.

If such indications are found to exist, the recoverable amount of the given asset is estimated in order to determine a potential write-down.

Where an asset does not generate cash flows that are largely independent of those generated by other assets, the analysis is performed for the group of cash-generating assets to which the asset belongs.

The recoverable amount is determined as the higher of fair value less costs to sell or value in use. The latter value corresponds to the present value of estimated future cash flows discounted using a discount rate that takes into account the current market time value of money and the risk specific to the asset.

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

An impairment loss is recognised as an expense in the period in which it occurs, except when the asset was carried at a revalued amount (in which case the impairment loss is treated as a reduction of the previous revaluation).

When the impairment is subsequently reversed, the net value of the asset (or group of assets) is increased to the new estimated recoverable amount, but not higher than the net value of the asset that would have been determined had the impairment not been recognised in the previous years.

A reversal of an impairment loss is recognised in income, unless the asset has previously been revalued, in which case the reversal of the impairment loss is recognised in the revaluation reserve.

Lease obligations

Under IFRS 16, an arrangement is or contains a lease if it conveys the right to control the use of an identified asset for a given period in exchange for consideration. All lease transactions result in the lessee obtaining the right to use the asset and the obligation to pay.

The Company identified and recorded the right-of-use for office space and cars as an asset and a lease liability. The Company recorded the remaining lease payments at present value using the Company's incremental borrowing rate.

The cost of a right-of-use asset comprises the initial measurement of the lease liability, any lease payments made on or before the commencement date, less any lease incentives received, the initial direct costs incurred by the lessee, and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset.

Shares and interests in unconsolidated subsidiaries

Investments (stocks and shares) other than real estate are recorded at acquisition price at the historical exchange rate less impairment losses.

Financial instruments - financial assets

The Group classifies financial assets into one of the categories depending on the business model for managing financial assets and the characteristics of the contractual cash flows for a given financial asset.

- valued at amortized cost,
- measured at fair value through other comprehensive income,
- measured at fair value through financial result,
- valuation of financial instruments of hedges. The Company does not apply hedge accounting principles, therefore the regulations of IFRS 9 in this respect do not apply.

The table below presents the classification and valuation of the Group's financial assets:

Classes of financial instruments	IFRS 9
Unlisted shares and stocks	Measured at fair value through other comprehensive income
Trade receivables	Financial assets measured at amortized cost
Loans granted	Financial assets measured at amortized cost
Cash and cash equivalents	Financial assets measured at amortized cost

Financial assets measured at amortized cost

The Group classifies trade receivables, loans granted, other financial receivables and cash and cash equivalents as assets measured at amortized cost.

The Group uses the effective interest rate method to measure financial assets measured at amortized cost. Trade receivables after initial recognition are measured at amortized cost using the effective interest rate method, taking into account impairment losses, with trade receivables with a maturity date of less than 12 months from the date of origination (i.e. not containing a financing element) and not transferred to factoring, not subject to discounting and are measured at nominal value.

Short-term trade and other receivables are valued at the amount due.

Cash and cash equivalents include cash in hand and deposits held at banks on demand. Short-term investments that are not subject to significant changes in value and that can be readily converted into a known amount of cash and are part of the Group's liquidity management policy are included in cash and cash equivalents for cash flow statement purposes.

Financial assets at fair value through other comprehensive income

Gains and losses on a financial asset that is an equity instrument that is measured at fair value through other comprehensive income are recognised in other comprehensive income, except for income from dividends received.

Assets at fair value through profit or loss

Gains or losses arising from the valuation of a financial asset classified as measured at fair value through profit or loss are recognised in profit or loss in the period in which they arise. Gains or losses arising from the valuation of items measured at fair value through profit or loss also include interest and dividend income.

Impairment of financial assets

The most significant financial asset items in the Group's consolidated financial statements that are subject to the amended principles for calculating expected credit losses are trade receivables. At each balance sheet

date, the Group assesses expected credit losses, regardless of whether there is any indication of impairment. The Group applies a simplified approach based on assessing the probability of non-payment of receivables based on historical data, taking into account the overdue balance of receivables. The Group also allows for an individual possibility of determining expected credit losses, taking into account the legal status of the debtor (liquidation, bankruptcy) and other factors. The allowance for expected credit losses is updated at each reporting date.

(Losses)/reversals of losses due to impairment of financial instruments mainly include (losses)/reversals of losses due to impairment of trade receivables and (losses)/reversals of losses due to impairment of loans granted.

Financial instruments - financial liabilities

The table below presents the classification and measurement of the Group's financial liabilities under IFRS 9.

Classes of financial instruments	IFRS 9
Trade liabilities	Financial liabilities measured at amortized cost
Financial liabilities (loans, bonds)	Financial liabilities measured at amortized cost

The Group classifies trade payables and loans and borrowings as liabilities measured at amortized cost.

- Financial liabilities (measured subsequently at amortized cost) from loans and borrowings, trade payables and other. Interest costs on these liabilities are recognized using the effective interest rate method and included in finance costs.
- Financial liabilities arising from the issue of convertible bonds, which are financial instruments containing both an equity and a debt component. At the bond issue date, the liability component of the convertible bond is measured as the present value of the future cash flows from the bond (principal and interest) discounted at the market rate assuming no conversion option. The value of the equity component is the difference between the value of the future total cash flows and the present value of the liability component. The equity component is included in other reserves and is not subject to subsequent remeasurement.

The Group has no financial liabilities measured at fair value through profit or loss.

Liabilities, including those for deliveries and services

Trade and other liabilities are divided into long-term and short-term liabilities using the following criteria:

- requiring payment within 12 months from the balance sheet date are classified as short-term liabilities,
- all liabilities that are neither trade liabilities nor meet the criteria to be classified as current are long-term liabilities.

Trade liabilities with a maturity of up to 360 days are valued at the amount due on the balance sheet date.

Liabilities denominated in foreign currencies are valued at the average exchange rate set for a given currency by the National Bank of Poland on that day.

Liabilities are recorded in a way that allows for the separation of settlements between related entities and other entities and is broken down into maturity periods, including:

- Period up to 12 months,
- Period exceeding 12 months.

Liabilities related to development work in progress are included in "trade payables". The value of services that have been provided to Group companies and for which invoices have not been received by the balance sheet date are presented as "trade payables".

Inventory

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

The acquisition price of inventories includes the purchase price, increased by import duties and other taxes (not later recoverable from the tax authorities), and other costs directly related to acquiring the inventories, reduced by discounts, rebates and other similar reductions.

Inventories are valued at initial value (purchase price or production cost) or net selling price, whichever is lower.

For other inventories, cost is determined using the first-in, first-out (FIFO) method.

Write-downs of tangible current assets related to their impairment or valuation as at the balance sheet date are made in correspondence with other operating expenses (IAS 2).

The Group writes down the value of inventories to net realizable value. Net realizable value is the selling price determined in the ordinary course of business, less the costs of completion and estimated costs necessary to complete the sale.

A reversal of an inventory write-down resulting from an increase in the net realizable value of inventories is recorded as a reduction in the amount of inventories recognized in other operating income in which the write-down reversal took place.

As of the balance sheet date, inventories are valued at their acquisition or purchase price, but such price cannot be higher than the net selling price of a given inventory item.

Share capital

Share capital is shown at the nominal value of shares issued and paid.

Costs related to the issue and public offering of shares

The excess of the issue value of shares above their nominal value is reduced by the costs of issuing shares and is recorded in the capital reserves.

Other reserve capital

Other reserves include: reserve capital for treasury shares, recognition of the share-based incentive plan, the capital element of convertible bonds, and exchange rate differences resulting from the translation of subsidiaries

The value of the equity component of a convertible bond is the difference between the value of the future total cash flows and the present value of the liability component. The equity component is included in other reserves and is not subject to subsequent remeasurement.

Incentive plan treatment - share-based payments

In accordance with IFRS 2, the Company recognises share-based payment transactions in its financial statements, including transactions with employees and other parties that may be settled in the form of equity-settled shares.

If the vesting conditions are non-market in nature, i.e. realization of a specific net profit by the Group and continuation of service provision, vesting conditions other than market conditions are not taken into account when measuring the fair value of the rights. These conditions are taken into account when estimating the value of all rights, by modifying the expected number of rights that will be vested.

The Group estimates the number of equity instruments for which the service conditions and non-market results are expected to be met. The result of this work, i.e. the market value of the rights on the date of their acquisition multiplied by the number of rights, is the estimated cost of recognizing this program. This cost is recognized as a salary cost (in the production costs, sales costs and general costs item) in the period of acquisition of rights together with the corresponding increase in capital (in the other reserve capital item). In

subsequent quarters, the Company adjusts these estimates, the number of financial instruments and analyzes the implementation of non-market conditions.

The valuation of entitlements is performed by an independent, certified actuary who uses a numerical method of approximating solutions of differential equations, called the *Finite Difference Method*.

The cost of participation in the program for employees of subsidiaries is recorded in these companies as salary costs and in other capital reserves.

Provisions for liabilities

Provisions are liabilities whose due date or amount is uncertain. Group companies create provisions when all of the following conditions are met:

- companies have an existing obligation (legal or constructive) arising from past events,
- it is probable that the fulfilment of the obligation will result in an outflow of resources embodying economic benefits,
- a reliable estimate of the amount of this obligation can be made.

Unused reserves are released on the date they become unnecessary.

Provisions for employee benefits

Provisions for employee benefits – provisions for retirement and disability benefits are calculated based on own estimates, however, due to the low average age of employees and the resulting insignificant value of the provision, it is not currently created.

Revenues

Revenue from the sale of goods and the provision of services to customers is recognised based on the principle that an entity recognises revenue in such a way as to reflect the transaction of transferring promised goods and services to the customer in an amount reflecting the value of consideration that the entity expects to receive in exchange for those goods and services.

Revenues from the sale of products and services include the sale of products manufactured by the Company for which it has exclusive license rights for their production or has acquired a license for their publication and distribution, as well as services provided by the Group to other entities.

The group uses a five-step model:

- Step 1: Identify the customer contract.
- Step 2: Identify the performance obligations specified in the contract. A performance obligation is any promise to transfer goods or services to a customer that can be separated.
- Step 3: Determine the transaction price – the consideration that an entity recognizes as due to it in exchange for transferring the promised good or service to the customer.
- Step 4: Allocate the transaction price to the contract performance obligations contained in the contract.
- Step 5: Recognition of revenue when the entity fulfills the obligations. Revenue is recognized when or as the performance obligation is fulfilled, when the customer obtains control of the product or service. The Group recognizes revenue from the sale of a license when the intellectual property is transferred by the distributor during the reporting period. This means that revenue realized from the sale of a license is recognized in the sales period no earlier than after the actual distribution of the game begins.

Revenues from digital sales made through distributors' platforms are recognized in the sales period, based on quantity and value reports provided by distributors for a given reporting period.

Revenue from the sale of physical products is recognized in the period in which the goods are transferred along with control over them and their risks and the transaction price is determined by the terms of the contract, i.e. the quantity and unit price of the products sold less potential price reductions.

Costs

The Company prepares a calculation-based income statement. Costs are classified according to their function. The Company and the Group report the following cost items in a functional layout:

- production costs: game amortization costs, royalty costs, and production costs consisting mainly of non-capitalized game production costs;
- sales costs: including mainly the costs of salaries of sales and marketing employees, publishing costs and promotion costs related to games;
- general costs: costs of salaries of employees of the administration, finance, legal, IT and management departments, recruitment, consulting, costs related to stock exchange listing.

Tax

Mandatory tax burdens on the result include: current tax (CIT) and deferred tax.

The current tax expense is calculated based on the tax result (tax base) of the given financial year. Tax for the current period and previous periods is recognized as a liability in the amount in which it has not been paid.

Tax profit (loss) differs from accounting net profit (loss) due to the exclusion of taxable income and costs constituting the costs of obtaining income in subsequent years and cost and income items that will never be subject to taxation. Deferred tax is calculated using the balance sheet method as tax payable or refundable in the future on differences between the carrying amounts of assets and liabilities and their corresponding tax values used to calculate the tax base.

Deferred tax assets and deferred tax liabilities are measured using the tax rates that are expected to apply when the asset is realised or the liability is reversed, based on the tax rates (and tax regulations) that are legally or substantively in force at the balance sheet date.

The value of the deferred tax asset is subject to analysis at each balance sheet date and if the expected future taxable profits are not sufficient to realize the asset or part of it, it is written off. Deferred tax assets and deferred tax liabilities are not discounted.

Deferred tax is recognised in the income statement, except when it relates to items recognised directly in equity. In the latter case, deferred tax is also settled directly in equity. Group companies offset deferred tax assets against deferred tax liabilities if, and only if, they have a legally enforceable right to offset deferred tax assets against deferred tax liabilities.

Transactions denominated in foreign currencies

Transactions conducted in foreign currencies are converted into the functional currency using the exchange rates applicable on the date of such transactions as follows: at the average exchange rate set for a given currency by the National Bank of Poland on the day preceding the given transaction.

Monetary items recorded at historical cost denominated in a foreign currency are reported as of the balance sheet date using the average exchange rate announced by the National Bank of Poland on the balance sheet date.

Positive and negative exchange rate differences resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities at the average exchange rates of the National Bank of Poland at the end of the year are recorded in the profit and loss account, except for cases where they are settled in equity.

Business segment reporting

According to IFRS 8, an operating segment is a separate part of the company that is engaged in the provision of specific products or services (business segment) or the provision of products or services in a specific economic environment (geographical segment) that is subject to risks and derives benefits that are different from other segments.

The Group identifies operating segments when the following conditions are met simultaneously:

- a component of the Parent Entity engages in business activities from which it may earn revenues and incur expenses;
- the results of this component's operations are regularly reviewed by the Company's chief operating decision maker to decide on the resources to be allocated to the segment and to assess the segment's performance;
- separate financial information is available for the component being analyzed.

In accordance with paragraph 13 of IFRS 8, the Group presents results by segment if at least one of the following conditions is met, i.e.: (i) segment revenues did not exceed 10% of total segment revenues from both sales to external customers and transfers between segments, (ii) the segment's financial result expressed in absolute value did not constitute at least 10% of the absolute values of the combined profit of all operating segments that did not report a loss or the combined loss of all operating segments that reported a loss, (iii) segment assets represent 10% or more of the total assets of all operating segments.

The Group identifies the following segments:

- game production and sales activities;
- publishing activity – conducted by the subsidiary, United Label S.A.

In addition, CI Games Capital Group presents the breakdown of sales revenues into:

- business – covering sales divided into: products, goods and services,
- geographic – covering sales broken down into domestic and foreign sales.

Revenue from the sale of products includes the sale of products manufactured by the Group for which it has exclusive license rights to manufacture or has acquired a license to publish and distribute them.

Revenues from the sale of services include revenues from services provided by the Group to other entities.

Revenues from the sale of goods include the sale of products that have been purchased and are intended for resale in an unprocessed state, as well as the sale of materials used in production.

Operating costs are divided into costs:

- direct, which can be assigned to a given product or service or is the value of goods or materials sold at the purchase price,
- indirect costs, i.e. those that cannot be directly assigned to a specific product, e.g. general administrative costs, selling costs, other operating costs.

10. Corrections from the previous years

In the reporting period (in the first half of 2024), corrections of significant errors were made regarding the consolidated financial statements for 2023. These corrections concerned:

Correction No. 1: decrease in revenues in CI Games USA Inc. by PLN 8,640 thousand – the value of this correction (adjusted for deferred tax) reduces consolidated retained earnings for 2023 by PLN 7,378 thousand (and thus reduces the value of equity by this amount as at December 31, 2023).

Correction No. 2: corrections to the recognition of the incentive plan in CI Games SE (i.e. before the correction, the entire plan was recognized only in the Company) and subsidiaries - the value of the correction increased the consolidated net profits by PLN 443 thousand (after the tax effect). The incentive plan for employees employed in subsidiaries was amortized in CI Games SE, therefore:

- the adjustment reduces the cost of depreciation of the incentive plan (applicable to employees of subsidiaries) and thus reduces the employment costs of CI Games SE, while at the same time increasing the value of shares in subsidiaries by the same amount (the value of the adjustment is PLN 3,388 thousand and has no impact on the consolidated result and retained net profits, because it is eliminated in the consolidation adjustments).
- the correction amount of PLN 581 thousand concerns two persons who were employed in subsidiaries but ceased to be employed in 2024. Therefore, the correction included reduces employment costs in CI Games SE, at the same time it does not increase the value of shares in subsidiaries.
- the correction amount of PLN 110 thousand (the difference between PLN 3,388 thousand and PLN 3,499 thousand) results from the change in the amount of the provision for cost re-invoicing.

The table below presents the impact of each adjustment on individual items of the consolidated financial statements.

Report Item		Impact on retained earnings 31.12.2023
		PLN'00
Correction No. 1	Deferred income tax assets	Profit (loss) from previous years 1,262
	(+) 1,262	(+) 1,262
	Trade and other short-term receivables	Profit (loss) from previous years (8,640)
	(-) 8,640	(-) 8,640
Correction No. 2	Deferred income tax assets	Profit (loss) from previous years (110)
	(-) 110	(-) 110
	Other reserve capital	Profit (loss) from previous years 581
	(-) 581	(+) 581
	Capital of non-controlling entities	Profit (loss) from previous years (28)
	(+) 28	(-) 28
Total impact on retained earnings		(6,935)

In accordance with IAS 8, the Company corrected prior period errors by adjusting the comparative information presented in the financial statements for a subsequent period in which the error was discovered.

The table below presents the total impact of the adjustments on individual items of the consolidated financial statements.

ASSETS	as of 31.12.2023 PLN'000		
	before correction	correction	after correction
FIXED ASSETS	187,526	1,152	188,678
Deferred income tax asset	14,638	1,152	15,790
CURRENT ASSETS	87,468	(8,640)	78,828
Trade and other receivables short term	52,262	(8,640)	43,622
TOTAL ASSETS	274,994	(7,488)	267,506

as of 31.12.2023
PLN'000

LIABILITIES

	before correction	correction	after correction
EQUITY CAPITAL	160,278	(7,488)	152,790
Other reserve capital	22,316	(581)	21,735
Retained earnings	54,799	(6,935)	47,864
Capital of non-controlling entities	2,681	28	2,709
COMMITMENTS	114,716	-	114,716
TOTAL LIABILITIES	274,994	(7,488)	267,506

Consolidated statement of profit and loss and consolidated
statement of comprehensive income

for the period from 1 January to 31 December
2023
PLN'000

	before correction	correction	after correction
Continued activity			
Net sales revenues	244,983	(8,640)	236,343
Costs of production, goods and services sold	(108,558)	150	(108,408)
Gross profit (loss) from sales	136,425	(8,490)	127,935
Selling costs	(85,907)	431	(85,476)
Profit (loss) from operating activities	31,489	(8,059)	23,430
Profit (loss) before tax	26,284	(8,059)	18,225
Income tax	(11,817)	1,152	(10,665)
Profit (loss) from continuing operations	14,467	(6,907)	7,560
NET PROFIT (LOSS), including:	14,467	(6,907)	7,560
- net profit (loss) attributed to the parent entity	13,047	(6,935)	6,112
- net profit (loss) attributed to the non-controlling entity	1,420	28	1,448
TOTAL INCOME FOR THE FINANCIAL YEAR	14,035	(6,907)	7,128
- net profit (loss) attributed to the parent entity	12,615	(6,935)	5,680
- net profit (loss) attributed to the non-controlling entity	1,420	28	1,448

Consolidated cash flow statement

for the period from 1 January to 31 December
2023, PLN thousand

	before correction	correction	after correction
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax	26,284	(8,059)	18,225
Adjustments made to reconcile profit (loss)	53,423	8,059	61,482
Adjustments resulting from decreases (increases) in trade and other receivables	(41,576)	8,640	(32,936)
Adjustments for provisions	6,287	(581)	5,706
Cash revenues from operating activities	79,707	-	79 707
Income tax paid (refund), included in operating activities	(8,601)	-	(8,601)
Cash flow from operating activities (used in operating activities)	71,106	-	71,106
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Net cash from investing activities	(82,994)	-	(82,994)

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flow from financing activities (used in financing activities)	35,435	-	35,435
TOTAL NET CASH FLOW	23,547	-	23,547
CASH AT THE BEGINNING OF THE PERIOD	6,618	-	6,618
CASH AT THE END OF THE PERIOD	30,233	-	30,233

Earnings per share

for the period from 1 January to 31 December 2023

	before correction	correction	after correction
Basic profit (basic loss) per share (PLN)	0.07	(0.04)	0.03
from continuing operations	0.07	(0.04)	0.03
from discontinued operations	-	-	-
Diluted earnings (diluted loss) per share (PLN)	0.07	(0.04)	0.03
from continuing operations	0.07	(0.04)	0.03
from discontinued operations	-	-	-
Weighted average number of ordinary shares (thousand)	182,943	182,943	182,943
Weighted average diluted number of ordinary shares ('000)	185,962	185,962	185,962

11. New standards and interpretations

New standards, changes to existing standards and interpretations that are effective from January 1, 2024:

- Amendments to IAS 1 Presentation of Financial Statements and the IFRS Board's Guidance on Disclosures About Accounting Policies in Practice. The amendment to IAS 1 introduces a requirement to disclose material information about accounting policies that are defined in the standard.
- Amendments to IFRS 16 "Leases" – Lease Liabilities in Sale and Leaseback Transactions.
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments – Disclosures" – Contracts for Financing Liabilities to Suppliers.

These changes do not have a material impact on the Group's accounting policies.

New standards approved by the IASB for application after 1 January 2025:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Non- convertibility

New standards approved by the IASB for application after 1 January 2026:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments - Disclosures" - changes to the classification and measurement of financial instruments.
- Annual Improvements to IFRS Accounting Standards – Issue 11 includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.
- Amendments to IFRS 9 and IFRS 7: Contracts based on electricity dependent on natural factors.

New standards approved by the IASB for application after 1 January 2027:

- IFRS 18 "Presentation and Disclosure in Financial Statements".
- IFRS 19 "Subsidiaries without public disclosure responsibility".

The Group is analysing the potential impact of the above changes on the Group's financial statements.

III. INFORMATION TO THE FINANCIAL STATEMENTS

Note 1: Changes in fixed assets by type groups

FOR THE PERIOD FROM 1.01 TO 31.12.2024	Buildings, premises and civil and water engineering facilities, investments in third-party fixed assets	Technical devices and machines	Means of transport	Other fixed assets	Fixed assets under construction	Total
Gross value as of 01.01.2024	115	4,035	701	163	-	5,014
Increases:	-	703	-	-	-	703
- acquisition	-	712	-	-	-	712
- transfer	-	(17)	-	-	-	(17)
- other	-	8	-	-	-	8
Reductions:	-	(41)	(701)	-	-	(742)
- liquidation, sale	-	(41)	(701)	-	-	(742)
- transfer	-	-	-	-	-	-
- other	-	-	-	-	-	-
Gross value as of 31.12.2024	115	4,697	-	163	-	4,975
Redemption as of 01.01.2024	56	2,805	701	85	-	3,647
Increases:	24	818	-	32	-	874
- depreciation	24	813	-	32	-	869
- transfer	-	-	-	-	-	-
- other	-	5	-	-	-	5
Reductions:	-	(42)	(701)	-	-	(743)
- liquidation, sale	-	(42)	(701)	-	-	(743)
- other	-	-	-	-	-	-
Depreciation as of 31.12.2024	80	3,581	-	117	-	3,778
Net worth						
As of 01.01.2024	59	1,230	-	78	-	1,367
As of 31.12.2024	35	1,116	-	46	-	1,197

FOR THE PERIOD FROM 1.01 TO 31.12.2023	Buildings, premises and civil and water engineering facilities, investments in external fixed assets	Technical devices and machines	Means of transport	Other fixed assets	Fixed assets under construction	Total
Gross value as of 01.01.2023	115	3,380	701	163	-	4,359
Increases:	-	661	-	-	-	661
- acquisition	-	661	-	-	-	661
- transfer	-	-	-	-	-	-
- other	-	-	-	-	-	-
Reductions:	-	(6)	-	-	-	(6)
- liquidation, sale	-	(2)	-	-	-	(2)
- transfer	-	-	-	-	-	-
- other	-	(4)	-	-	-	(4)
Gross value as of 31.12.2023	115	4,035	701	163	-	5,014
Redemption as of 01.01.2023	31	2,078	669	53	-	2,831
Increases:	25	729	32	32	-	818
- depreciation	25	729	32	32	-	818
- transfer	-	-	-	-	-	-
Reductions:	-	(2)	-	-	-	(2)
- liquidation, sale	-	(2)	-	-	-	(2)
- other	-	-	-	-	-	-
Write-off as of 31.12.2023	56	2,805	701	85	-	3,647
Net worth						
As of 01.01.2023	84	1,302	32	110	-	1,528
As of 31.12.2023	59	1 230	-	78	-	1,367

Note 2: Changes in intangible assets by type group

FOR THE PERIOD FROM 1.01 TO 31.12.2024	Costs of completed development work	Development costs in progress	Press Title Rights, Distribution Rights	Other intangible assets	Intangible assets under construction	Total
Gross value as of 1 January 2024	372,264	55,250	5,985	1,849	4,035	439,383
Increases:	-	62,044	1,848	-	4,003	67,895
- acquisition	-	-	-	-	4,003	4,003
- transfer	-	-	1,848	-	-	1,848
- produced in-house	-	62,044	-	-	-	62,044
Reductions:	-	-	(54)	-	(1,848)	(1,902)
- liquidation	-	-	-	-	-	-
- transfer	-	-	-	-	(1,848)	(1,848)
- write-off due to impairment of fixed assets	-	-	(54)	-	-	(54)
- other	-	-	-	-	-	-
Gross value as of 31.12.2024	372,264	117,294	7,779	1,849	6,190	505,376
Redemption as of 01/01/2024	263,987	-	4,842	1,847	-	270,676
Increases:	44,242	-	1,828	2	-	46,072
- depreciation	44,242	-	1,828	2	-	46,072
Reductions:	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-
- other	-	-	-	-	-	-
Depreciation as of 31.12.2024	308,229	-	6,670	1,849	-	316,748
Net worth						
As of 01.01.2024	108,277	55,250	1,143	2	4,035	168,707
As of 31.12.2024	64,035	117,294	1,109	-	6,190	188,628

The most significant component of intangible assets is the game "Lords of the Fallen", which was put into use on 13 October 2023. In the current reporting period, the Group conducted an annual test for permanent impairment of the game. The analysis carried out did not indicate any grounds for making an impairment loss. The discounted cash flow (DCF) method was used in the test, with the following main assumptions:

- discount rate: 11%,
- forecast period: 2025–2029,
- the basis for the valuation were sales forecasts reduced by costs directly related to the game,
- the residual value after 2029 was not estimated.

The assumptions adopted were considered reasonable in light of current market information and the Group's internal forecasts.

The Group also conducted impairment tests for development work in progress. Based on the analysis and assumptions made, the Management Board confirmed its intention to continue work on the projects that had been initiated, and also concluded that:

- The Group has adequate resources and capabilities to complete projects,
- there are indications of the ability to generate future economic benefits from these projects,
- the anticipated economic benefits exceed the costs incurred to date.

In connection with the above, it was not found necessary to make any write-downs on the value of development work.

FOR THE PERIOD FROM 1.01 TO 31.12.2023	Costs of completed development work	Costs of development work in progress	Distribution rights	Other intangible assets	Intangible assets under construction	Total
Gross value as of 01.01.2023	208,518	139,154	5,985	1,849	2,058	357,564
Increases:	163,746	79,842	-	-	1,977	245,565
- acquisition	-	-	-	-	1,977	1,977
- transfer	163,746	-	-	-	-	163,746
- produced in-house	-	79,842	-	-	-	79,842
Reductions:	-	(163,746)	-	-	-	(163,746)
- liquidation	-	-	-	-	-	-
- transfer	-	(163,746)	-	-	-	(163,746)
- write-off due to permanent diminution in value.	-	-	-	-	-	-
- other	-	-	-	-	-	-
Gross value as of 31.12.2023	372,264	55,250	5,985	1,849	4,035	439,383
Redemption as of 01.01.2023	200,650	-	3,053	1,817	-	205,520
Increases:	63,337	-	1,789	30	-	65,156
- depreciation	63,337	-	1,789	30	-	65,156
Reductions:	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-
- other	-	-	-	-	-	-
Write-off as of 31.12.2023	263,987	-	4,842	1,847	-	270,676
Net worth						
As of 01.01.2023	7,868	139,154	2,932	32	2,058	152,044
As of 31.12.2023	108,277	55,250	1,143	2	4,035	168,707

Note 3: Right to use assets

Below are tables of fixed asset movements recognised in accordance with IFRS 16.

FOR THE PERIOD FROM 1.01 TO 31.12.2024	Office Lease Agreement	Vehicles	Total
Gross value as of 1 January 2024	4,710	-	4,710
Increases:	-	599	599
- conclusion of a new contract	-	599	599
Reductions:	(4,710)	-	(4,710)
- update initial value	-	-	-
- change of purpose	(4,710)	-	(4,710)
- termination of the contract	-	-	-
Gross value as of 31.12.2024	-	599	599
Redemption as of 01/01/2024	2,434	-	2,434
Increases:	471	207	678
- depreciation	471	207	678
Reductions:	(2,905)	-	(2,905)
- change of purpose	(2,905)	-	(2,905)
- termination of the contract	-	-	-
Depreciation as of 31.12.2024	-	207	207
Net worth			
As of 01.01.2024	2,276	-	2,276
As of 31.12.2024	-	392	392

FOR THE PERIOD FROM 1.01 TO 31.12.2023	Office Lease Agreement	Vehicles	Total
Gross value as of 1 January 2023	4,971	-	4,971
Increases:	-	-	-
- conclusion of a new contract	-	-	-
Reductions:	(261)	-	(261)
- update initial value	(261)	-	(261)
- termination of the contract	-	-	-
Gross value as of 31.12.2023	4,710	-	4,710
Redemption as of 01/01/2023	1,574	-	1,574
Increases:	860	-	860
- depreciation	860	-	860
Reductions:	-	-	-
- termination of the contract	-	-	-
Write-off as of 31.12.2023	2,434	-	2,434
Net worth			
As of 01.01.2023	3,397	-	3,397
As of 31.12.2023	2,276	-	2,276

Note 4: Long-term investments

Long-term investments	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Loans granted to employees	9,931	-
Together	9,931	-

The loans granted relate to employees participating in the 2021–2023 incentive program, based on shares. The loans were granted by the Company for the purchase of shares in the fourth quarter of 2024. The loan repayment date is December 31, 2026.

Note 5: Deferred tax asset and liability

Deferred tax assets are established at the amount expected to be deducted from income tax in the future, in connection with negative temporary differences that will cause a future reduction of the income tax base. The carrying amount of a deferred tax asset is verified at each balance sheet date and is subject to write-off if there is any doubt as to whether the Company will achieve economic benefits related to the use of the deferred tax assets.

A deferred income tax provision is created from positive temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements.

The Group continuously monitors sales forecasts along with a forecast of taxable income, enabling the utilisation of tax losses in the future.

DEFERRED TAX	as of 31.12.2024	as of 31.12.2023 *
	PLN'000	PLN'000
Balance at the beginning of the period, including:		
Deferred tax assets	15,790	1,017
Deferred tax provision	21,694	1,861
Deferred tax at the beginning of the period	(5,904)	(844)
Change in condition during the period affecting:		
Financial result	1,271	(5,060)
Deferred tax at period end, including:	(4,633)	(5,904)
Deferred tax assets	8,223	15,790
Deferred tax provision	12,856	21,694

* data transformed

DEFERRED TAX - CHANGES DURING THE YEAR	as of 31.12.2023 *	Differences affecting deferred tax recognised in financial result	as of 31.12.2024
	PLN'000	PLN'000	PLN'000
Deferred tax assets			
Reserve for costs	497	(433)	64
Write-offs for receivables	169	(169)	-
Reserve for price reductions	2,546	(1,473)	1,073
Negative exchange rate differences	691	(551)	140
Tax loss	10,236	(4,083)	6,153
Taking the motivational plan	1,023	(1,023)	-
Difference between the book value and tax value of fixed assets	615	115	730
The remaining	13	50	63
Total deferred tax assets	15,790	(7,567)	8,223
Deferred tax provisions			
Positive exchange rate differences	86	(38)	48
Difference between the book value and tax value of fixed assets	21,608	(9,059)	12,549
Financial Lease Receivables	-	259	259
Total deferred tax provision	21,694	(8,838)	12,856

* data transformed

As at 31 December 2024, the deferred tax asset balance decreased by PLN 7,567 thousand compared to the balance at the end of 2023, mainly as a result of the use of the tax loss generated by CI Games SE in 2023 and the settlement of other temporary differences.

The decrease in the deferred tax provision by PLN 8,838 thousand increased mainly as a result of a decrease in the difference between the tax and book value, mainly of the game "Lords of the Fallen".

Note 6: Long-term receivables

TRADE RECEIVABLES AND OTHER LONG-TERM RECEIVABLES	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Other long-term receivables		
Deposits and security deposits	608	528
Other long-term prepayments	3	10
Total trade and other long-term receivables	611	538

Deposits and security deposits refer to the deposit for office rental.

Note 7: Lease receivables

LEASING RECEIVABLES	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Lease receivables - short-term part	976	-
Lease receivables - long-term part	385	-
Total lease receivables	1,361	-

The receivables above concern the recognition of the office sublease agreement in CI Games SE.

Note 8: Inventory - structure and ageing

INVENTORY	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Materials	300	590
Finished products	1,909	3,217
Total Gross Inventory	2,209	3,807
Valuation write-off	(1,820)	(2,305)
Total net inventory	389	1,502

INVENTORY - AGEING	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
0 - 90 days	495	1388
91 - 180 days	46	692
181 - 360 days	90	231
over 360 days	1,578	1,496
Valuation write-off	(1,820)	(2,305)
Total net inventory	389	1 502

In the opinion of the Issuer's Management Board, all inventories not covered by an impairment loss represent a recoverable amount higher than their book value.

Note 9: Trade and other receivables

TRADE RECEIVABLES AND OTHER SHORT-TERM RECEIVABLES	as of 31.12.2024	as of 31.12.2023*
	PLN'000	PLN'000
TRADE RECEIVABLES - STRUCTURE		
Trade receivables from related parties	-	-
Trade receivables from other entities	9,613	39,711
up to 12 months	9,613	39,711
over 12 months	-	-
Trade receivables	9,613	39,711
Write-down of trade receivables	(1,052)	(1,062)
Net trade receivables	8,561	38,649
Advances granted	-	88
Other short-term receivables		
Tax liabilities (excluding income tax)	3,108	2,494
Other settlements with employees	-	79
Deposits and security deposits	779	708
Other settlements	164	2
Active prepayments		
Insurance	191	156
Licenses	1,086	1,148
Costs of adapting the game to platforms	-	293
Other prepayments	140	5
Other short-term receivables	5,468	4,885
Total trade and other short-term receivables	14,029	43,622

* data transformed

As of December 31, 2024, other receivables consisted mainly of:

- Tax receivables (PLN 3,108 thousand) PLN) - mainly containing withholding tax paid abroad, which can be deducted by CI Games SE and VAT settlements.
- Deposits (PLN 779 thousand) mainly concerned security deposits for the contract with the agency providing employees (PLN 635 thousand) and a deposit for recruitment costs (PLN 125 thousand).
- Accruals mainly included the settlement of software licenses and subscription fees for access to the application (PLN 1,086 thousand).

Trade receivables, specification

TRADE RECEIVABLES - AGEING	as of 31.12.2024	as of 31.12.2023*
	PLN'000	PLN'000
Current	7,600	19,235
after the deadline:	2,013	20,476
1 - 30 days	457	5,190
31 - 90 days	231	13,562
91 - 180 days	(107)	209
over 180 days	1,432	1,515
Valuation write-off	(1,052)	(1,062)
Net trade receivables	8,561	38,649

TRADE RECEIVABLES (NET) - CURRENCY STRUCTURE	as of 31.12.2024	as of 31.12.2023
PLN	11	27
EUR	757	3,313
GBP	28	587
USD	1,261	7,604
CZK	1	1

Write-downs on receivables

IMPAIRMENT OF RECEIVABLES	2024	2023
	PLN'000	PLN'000
Reversal of receivables write-off	745	133
Creation of a write-down on receivables	(56)	(1,632)
Total impairment of receivables	689	(1,499)

Note 10: Income tax receivables and payables

INCOME TAX SETTLEMENTS	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Corporate income tax receivables		
Corporate income tax receivables	2,910	3,471
Corporate income tax liability		
Corporate income tax liability	417	123

Income tax receivables as at December 31, 2024 mainly included receivables from the settlement of CIT for 2023 in the subsidiary.

Income tax liabilities included CIT settlements for 2024 in the subsidiary.

Note 11: Cash and cash equivalents

CASH AND CASH EQUIVALENTS	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Bank accounts	6,287	30,233
Total cash and cash equivalents	6,287	30,233

The Group has no restricted cash.

Note 12: Share capital of the Parent Company

As of December 31, 2024, the share capital of the Parent Company consisted of nine series of shares with the following parameters:

ACTION SERIES	AMOUNT	NOMINAL VALUE PLN'000	REGISTRATION
A - ordinary bearer / paid up	100,000,000	1,000	01.06.2007
B - ordinary bearer / paid up	400,000	4	10.08.2008
C - ordinary bearer / paid up	25,000,000	250	17.12.2008
D - ordinary bearer / paid up	1,100,000	11	09.10.2009
E - ordinary bearer / paid up	12,649,990	126	09.01.2014
G - ordinary bearer / paid up	11,000,000	110	06.12.2016
F - ordinary bearer / paid up	960,000	10	30.11.2017
H - ordinary bearer / paid up	10,833,025	108	09.08.2019
I - ordinary bearer/paid up	21,000,000	210	21.09.2020
J - ordinary bearer/paid up	7,881,865	79	28/10/2024,23/12/2024 *
Total	190,824,880	1,908	

* Date of issue of shares within the meaning of Article 451 §2 of the Commercial Companies Code

On 28/10/2024, in connection with the registration in the securities accounts of entitled persons of a total of 3,518,560 series J ordinary bearer shares with a nominal value of PLN 0.01 each (ISIN: PLCTINT00117), acquired in exchange for series C subscription warrants, the share capital of CI Games SE was increased by an amount equal to the nominal value of the acquired shares, i.e. by PLN 35,185.60. The share capital of the Company was increased from PLN 1,829,430.15 to PLN 1,864,615.75. On December 23, 2024, in connection with the registration in the securities accounts of entitled persons of a total of 4,363,305 series J ordinary bearer shares with a nominal value of PLN 0.01 each (ISIN: PLCTINT00117), acquired in exchange for series C subscription warrants, the Company's share capital was increased by an amount equal to the nominal value of the acquired shares, i.e. by PLN 43,633.05. The Company's share capital was increased from PLN 1,864,615.75 to PLN 1,908,248.80.

Participants in the incentive program exercised their rights from series C warrants and acquired a total of 7,881,865 series J shares .

The ownership structure of the Company's share capital as at the date of publication of these financial statements is as follows:

SHARE CAPITAL - STRUCTURE	Number of shares	% votes
Marek Tyminski	56,102,130	29.40%
Active Ownership Fund Sicav-FIS SCS	36,618,931	19.19%
Other shareholders	98,103,819	51.41%
All shareholders combined	190,824,880	100%

Note 13: The Parent Company's reserve capital from the sale of shares above their nominal value

SHARES SERIES	NUMBER	SURPLUS PLN'000
B - ordinary bearer / paid up	400,000	36
C - ordinary bearer / paid up	25,000,000	22,250
D - ordinary bearer / paid up	1,100,000	99
E - ordinary bearer / paid up	12,649,990	11,259
G - ordinary bearer / paid up	11,000,000	24,860
F - ordinary bearer / paid up	960,000	663
H - ordinary bearer / paid up	10,833,025	9,641
I - ordinary bearer/paid up	21,000,000	24,990
J - ordinary bearer/paid up	7,881,865	9,852
Total	90,824,880	103,650
Decrease due to C series issue costs		(1,829)
Decrease due to E series issue costs		(285)
Transfer to reserve capital		(16,000)
Decrease due to G series issue costs		(416)
Decrease due to F series issue costs		(49)
Decrease due to H series issue costs		(470)
Decrease due to series I issue costs		(265)
As of 31.12.2024		84,336

Note 14: Other reserves

OTHER RESERVE CAPITALS	as of 31.12.2024 PLN'000	as of 31.12.2023 * PLN'000
Reserve capital for the buy-back of own shares	16,000	16,000
Reserve capital for employee loans	12,678	-
Capital from the incentive program	6,560	5,383
Capital from the issue of bonds convertible into shares	485	485
Exchange rate differences from conversion	(311)	(133)
Total other reserves	35,412	21,735

* data transformed

The remaining reserve capital consists of: "Reserve capital for the buy-back of own shares", "Reserve capital", "Incentive plan", "Exchange rate differences on translation" and "Issue of bonds convertible into shares".

The amount of reserve capital for the purchase of own shares as at 31.12.2024 amounts to PLN 16,000,000 (31.12.2023: PLN 16,000,000). Created by the resolution of the Extraordinary General Meeting of CI Games S.A. dated 08.11.2010 in connection with the resolution of the same day on giving consent to the purchase of own shares by the Company. The capital was created by transferring from the Company's reserve capital amounts that, in accordance with Article 348 §1 of the Commercial Companies Code, may be allocated for distribution among the shareholders.

On June 6, 2024, the Annual General Meeting of the Company, based on resolution no. 21/2/2024, decided to create a reserve capital in the amount of PLN 12,677,950 to facilitate the acquisition of the Company's shares by employees through the granting of loans by the Company in order to use them to make a cash contribution to the Company towards the acquisition of series J ordinary bearer shares by persons authorized under the incentive program established in the Company based on resolution no. 19/1/2021 of the Annual General Meeting of the Company dated June 22, 2021 on the establishment of an incentive program for key employees and associates of the CI Games Capital Group, including members of the management board of CI Games SE. The loans were granted to employees in accordance with the regulations for providing financial assistance to the Company's employees, which was adopted by the Supervisory Board of the Company. The reserve capital in the amount of PLN 12,677,950 was created from the profits achieved by the Company in the previous financial years, located in the reserve capital.

As at 31 December 2024, the balance due to the recognition of the incentive plan amounted to PLN 6,560 thousand, while the balance due to the issue of bonds convertible into shares amounted to PLN 485 thousand.

Note 15: Capital of non-controlling entities

CAPITAL OF NON-CONTROLLING ENTITIES	as of 31.12.2024	as of 31.12.2023 *
	PLN'000	PLN'000
CI Games Mediterranean Projects SL	2 584	2 274
United Label S.A.	-	435
Total capital of non-controlling entities	2 584	2 709
Balance at the beginning of the period	2 709	1 404
Share in net profit (loss), including:	310	1 448
<i>CI Games Mediterranean Projects SL</i>	310	1 427
<i>United Label S.A.</i>	-	21
Change in the structure of non-controlling interest	(435)	(143)
Total capital of non-controlling entities	2 584	2 709

* data transformed

Note 16: Retained earnings

On June 6, 2024, the Annual General Meeting of Shareholders, based on resolution No. 8/2/2024, decided to allocate the profit generated in the financial year 2023 in the net amount of PLN 9,433,454.99 in its entirety to the Company's reserve capital.

Recommendations regarding the coverage of the Company's loss for 2024: The Issuer's Management Board recommends covering the loss for 2024 in the amount of PLN 7,380,563.96 from profits from future years.

Note 17: Share based motivational program for 2021-2023

The share-based incentive program is described in the Management Report (Chapter V, item 6). In accordance with IFRS 2, the Company recognizes share-based payment transactions in the financial statements, including transactions with employees and other parties that may be settled in the form of equity-settled shares. The implementation of the program for 2021-2023 was dependent on the financial results of the CI Games Group of one of two specific objectives, depending on which of them is achieved first:

- i) total net profit of the CI Games Capital Group in the financial years 2021–2022 in the amount of PLN 40,000,000 (in words: forty million zlotys);
- ii) total net profit of the CI Games Capital Group in the financial years 2021–2023 in the amount of PLN 65,000,000 (in words: sixty-five million zlotys).

On September 29, 2023, the Management Board and the Supervisory Board of the Company adopted executive resolutions on the final verification of the objectives of the incentive program addressed to key employees and associates of the CI Games Capital Group, including members of the Management Board of CI Games SE, establishing the final list of eligible employees and associates of the Company to participate in the incentive program and granting subscription warrants, in which resolutions it was stated that the CI Games Capital Group achieved a total net profit in the financial years 2021-2022 in the amount of PLN 46,918,000, therefore, Objective 1 of the Incentive Program, i.e. the total net profit of the CI Games Capital

Group in the financial years 2021-2022, was achieved and the Company is entitled to grant a total of up to 10,061,865 series C subscription warrants.

The Company estimated the number of equity instruments for which it expected the fulfillment of the service conditions and non-market results. The result of this work, i.e. the market value of the rights on the date of their acquisition multiplied by the number of rights, is the estimated cost of recognizing this program. This cost was recognized as the cost of salaries (in the item of production costs, selling costs and general costs) in the period of acquisition of rights together with the corresponding increase in capital (in the item of other reserves). In the case of employees of subsidiaries, their cost was recognized in these companies, while in CI Games it was recognized as an increase in the value of shares in subsidiaries.

As of the date of publication of this report, the incentive program for 2021-2023 has been completed and has been included in the Issuer's consolidated financial statements as follows:

Recognition of the incentive plan in the consolidated financial statements		as of 31.12.2024
		PLN'000
CI Games SE employment costs		2,491,744
CI Games UK Ltd employment costs		856,436
CI Games MP SL employment costs		3,211,950
Total operating costs		6,560,129
CI Games SE - Reserve Capital		2,491,744
CI Games UK Ltd - Reserve Capital		856,436
CI GAMES MP - Reserve capital		3,211,950
Total equity		6,560,129

Note 18: Loan commitments and debt financial instruments

Liabilities arising from credits, loans and other debt instruments	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Multi-purpose credit limit	14,939	15,941
Non-revolving working capital loan	-	14,998
Bonds convertible into series F shares	-	26,729
Credit card balances	42	82
Total financial liabilities	14,981	57,750

As at December 31, 2024, the loan balance consisted of a multi-purpose credit limit of PLN 15 million (balance of PLN 14,939 thousand as at December 31, 2024) with PKO BP SA. A description of the fulfillment of covenants and collateral is provided in Note 23 and Note 40, respectively.

As of December 31, 2023, the loan balance consisted of the following items:

- multi-purpose credit limit of PLN 29 million (balance of PLN 15,941 thousand as at 31.12.2023) in PKO BP SA – line repaid and closed on 31.01.2024.
- a non-revolving working capital loan in the amount of PLN 20 million (balance of PLN 14,998 thousand as at 31.12.2023) related to the financing of the production of "Lords of the Fallen" in PKO BP SA; loan repaid and closed on 02.01.2024.

As of December 31, 2023, bond balance:

- the current value of bonds convertible into series F shares recognised in accordance with IFRS 9 in the amount of PLN 26,729 thousand – bonds repaid in 2024 (details on the bond issue are described in the Management Board Report, Chapter V, item 7).

Note 19: Lease liabilities

Lease liabilities	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Lease liabilities - short-term part	1,301	1,025
Lease liabilities - long-term part	411	1,359
Total lease liabilities	1,712	2,384

Lease liabilities are related to the implementation of IFRS 16 and the recognition of both an asset and a liability arising from the office space and car lease agreement.

Note 20: Other long-term liabilities

DELIBERTIES AND SERVICE LIABILITIES AND OTHER LONG-TERM LIABILITIES	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Advances received	34,860	-
Deposits	449	-
Total trade payables and other long-term liabilities	35,309	-

As of December 31, 2024, the balance of other long-term liabilities amounted to PLN 35,309 thousand, of which PLN 34,860 thousand related to advances received from Epic Games Inc. by CI Games SE.

On June 14, 2024, the Company signed a binding agreement with Epic Games Inc., under which Epic Games Inc. obtained the exclusive global right to distribute the next part of the game "Lords of the Fallen" on the PC platform for the entire sales cycle of the product. Under this agreement, CI Games receives advances to finance the production of the game, which are recorded in the books as long-term liabilities.

Note 21: Trade and other current liabilities

	as of 31.12.2024	as of 31.12.2023
LIABILITIES – STRUCTURE	PLN'000	PLN'000
Trade payables – breakdown		
Trade liabilities to related parties	17	60
Trade liabilities to other entities	9,336	27,731
up to 12 months	9,336	27,731
over 12 months	-	-
Trade and service liabilities	9,353	27,791
Advances received	108	-
Liabilities from taxes excluding corporate income tax	1,725	1,767
Other financial liabilities	-	-
Other liabilities	173	82
Other short-term liabilities	1,898	1,849
Deferred income	34	-
Total trade payables and other current liabilities	11,393	29,640

Trade liabilities

	as of 31.12.2024	as of 31.12.2023
LIABILITIES - CURRENCY STRUCTURE	'000	'000
PLN	686	2,093
EUR	1,673	3,280
GBP	119	496
USD	213	2,242
NDZ	14	-
SEK	-	342

	as of 31.12.2024	as of 31.12.2023
LIABILITIES - AGEING	PLN'000	PLN'000
Current	5,993	11,667
Overdue:	3,360	16,124
1 - 30 days	315	6,183
31 - 90 days	54	9,500
91 - 180 days	104	220
over 180 days	2,887	221
Trade liabilities	9,353	27,791

Note 22: Other short-term provisions

OTHER RESERVES	as of 31.12.2024	as of 31.12.2023
	PLN'000	PLN'000
Provisions for audit of balance sheet	217	162
Provisions for non-invoiced costs	1,295	746
Provisions for unused holidays	141	114
Other provisions	-	2,103
Total other short-term provisions	1,653	3,125

Provisions for retirement and disability benefits are not created due to the low average age of employees and the resulting insignificant value of the provision.

The provision for other costs mainly includes a provision for an employee bonus in the amount of PLN 1,915 thousand, relating to 2023.

Note 23: Financial assets and liabilities - classification and measurement

Financial assets and liabilities - classification and measurement	stan na 31.12.2024	stan na 31.12.2023*
	tys. zł	tys. zł
Financial assets valued according to amortized cost		
Trade receivables	8,561	38,649
Cash and cash equivalents	6,287	30,233
Long-term investments	9,931	-
Financial assets valued according to fair value		
Unlisted stocks and shares	-	-
Other financial assets	-	-
Total financial assets	24,779	68,882
Financial liabilities are measured at amortized cost		
Trade liabilities	9,353	27,791
Loan liabilities	14,981	57,750
Financial liabilities	1,712	2,384
Financial liabilities valued according to fair value		
Other financial liabilities	-	-
Total financial liabilities	26,046	87,925

* data transformed

After analysing individual classes of financial instruments, the Company's Management Board concluded that the carrying amount of the instruments does not differ significantly from their fair value as at 31 December 2024 and 31 December 2023.

Risks related to financial instruments: Group is exposed to the following risks arising from the use of financial instruments:

Credit risk

Credit risk is related to the risk of financial loss if the other party to a financial instrument contract fails to perform its obligations under the contract. This risk is mainly related to trade receivables and loans granted.

Company does not currently use insurance for trade receivables. Collaboration with contractors with a stable financial situation and ongoing monitoring of this situation are safeguards against the risk of impairment of these financial instruments. The Company's products are distributed by global corporations that settle their liabilities on time. There are also no significant delays in settling the Company's receivables.

as of 31.12.2024	Trade receivables						Total
	Contract Assets	Current	overdue				
			0 - 30 days	31 – 90 days	91 – 180 days	over 180 days	
PLN'000							
Write-off rate	11%	0%	0%	0%	0%	73%	
Gross value	9,613	7,600	457	231	(107)	1,432	9,613
Write-down	(1,052)	-	-	-	-	(1,052)	(1,052)
as of 31.12.2023*							
PLN'000							
Write-off rate	3%	0%	0%	0%	0%	70%	
Gross value	39,711	19,235	5,190	13,562	209	1,515	39,711
Write-down	(1,062)	-	-	-	-	(1,062)	(1,062)

*data transformed

Currency risk

The Group operates globally, generating revenues mainly in two currencies: Euro and US dollars, while costs are incurred mainly in Euro, US dollars, Polish zloty and British pound sterling.

The parent company hedges against currency risk by trying to match the currency structure of receivables to liabilities, however, it is not possible to completely eliminate currency risk. The company monitors currency rates on an ongoing basis, but as of the date of this report, it has not entered into transactions to hedge against currency risk.

Accordingly, there is a currency risk associated with the fact that future results and cash flows may be subject to fluctuations due to changes in currency rates, especially given the volatile situation on global markets.

Sensitivity analysis

The table below presents the impact of a 10% change in the EUR, USD and GBP exchange rates on receivables, payables and cash balances as at 31/12/2024.

FINANCIAL INSTRUMENTS - SENSITIVITY	as of 31.12.2024	+/- 10% PLN/EUR	+/- 10% PLN/USD	+/- 10% PLN/GBP
	PLN'000	PLN'000	PLN'000	PLN'000
Accounts Receivable	8,561	323	517	14
Liabilities	9,353	715	87	61
Multi-purpose credit limit	14,939	1,408	-	-
Cash	6,287	50	483	40

Interest rate risk

The interest rates were dependent on the EURIBOR and WIBOR interbank rates, and thus on the interest rate risk of entire economic systems. The Company is exposed to this risk because, as of the date of this report, it had loans whose interest rates depended on the EURIBOR and WIBOR interbank rates.

The table below presents the impact of the change in the 1M EURIBOR interest rate on the Group's annual results.

	Interest rate change	Impact on the result PLN'000	Impact on equity PLN'000
Bank loan (PLN 15 million) - impact of 1M EURIBOR change	1%	(150)	(122)
	-1%	150	122

Group does not use instruments to hedge this type of risk.

Liquidity risk

Liquidity risk is related to working capital management and liquidity risk, which is the inability to pay maturing liabilities. Financial plans take into account the seasonality of the business related to game release dates and the impact of seasonality on cash flows from operating activities, variable levels of working capital and financing of capital expenditures for game production.

as of 31.12.2024	Short term up to 12 months PLN'000	Long term 1 to 3 years PLN'000	Total flows PLN'000
Group's liabilities			
Credit accounts loans	34	14,947	
Lease liabilities	1301	411	
Trade and other financial liabilities	11,393	-	
Other long-term liabilities		35,309	
Liquidity Risk Exposure	12,728	50,667	63,395

as of 31.12.2024	Short term up to 12 months PLN'000	Long term 1 to 3 years PLN'000	Total flows PLN'000
Current assets			
Cash	6,287	-	
Trade and other short-term receivables	14,029	611	
Short-term lease receivables	976	385	
Credit limit	19	-	
Current assets	21,311	996	22,307

As part of the actions taken, the Group has long-term financial projections aimed at planning financial flows and cash demand. Financial projections are constantly updated and verified in order to monitor financial flows and financing sources on an ongoing basis, which include newly obtained bank loans (on 10.04.2025) for a total amount of PLN 35 million and advances from Epic Games Inc. related to the production of the game.

Note 24: Capital Management

The main objective of capital management of the Company and the Group is to ensure the continuation of its operations and increase the value for its shareholders. Currently, the Company uses debt financing, which is the lowest cost to finance its development.

As a result of the Multi-Purpose Credit Limit agreement concluded with PKO BP SA, the Group is required to maintain a specified level of equity to balance sheet ratios and EBITDA to debt ratio. The first ratio is variable during the term of the credit agreement due to the seasonal nature of the Group's operations (years with and without a game release). As of 31.12.2024, the Group met these ratios: the consolidated equity to balance sheet ratio was 66.5% and the adjusted net debt to adjusted EBITDA ratio was 0.2. These ratios represent a safe level and the Group expects to meet them within 12 months from the balance sheet date.

Note 25: Information about operating segments

The main segments of the Group's operations are:

- production and sale of own games (CI Games Group) – presents CI Games and other companies from the Group, applying consolidation adjustments between these companies;
- publishing activity (United Label), which was started in the second half of 2018 by United Label SA

Consolidated statement of financial position by segment as at 31.12.2024	CI GAMES GROUP	UNITED LABEL	Consolidation adjustments	Total
Non-current assets	201,509	7,958	(100)	209,367
Property, plant and equipment	1,192	5	-	1,197
Intangible assets	181,329	7,299	-	188,628
Right-to-use asset	392	-	-	392
Shares and stocks in subordinated entities	100	-	(100)	-
Long term investments	9,931	-	-	9,931
Deferred tax asset	7,569	654	-	8,223
Long term receivables	611	-	-	611
Long term lease receivables	385	-	-	385
Current assets	24,650	2,560	(2,619)	24,591
Inventory	389	-	-	389
Current investments	-	-	-	-
Trade and other receivables	15,142	1,506	(2,619)	14,029
Short term lease receivables	976	-	-	976
Tax receivables	2,716	194	-	2,910
Cash and cash equivalents	5,427	860	-	6,287
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners	24,650	2,560	(2,619)	24,591
Non-current assets classified as held for sale or as held for distribution to owners	-	-	-	-
Total assets	226,159	10,518	(2,719)	233,958

Consolidated statement of financial position by segment as at 31.12.2024	CI GAMES GROUP	UNITED LABEL	Consolidation adjustments	Total
EQUITY	147,764	7,973	(100)	155,637
Share capital	1,908	128	(128)	1,908
Share premium	84,336	4,169	-	88,505
Other reserve capital	35,412	-	-	35,412
Retained earnings	23,524	3,676	28	27,228
including profit for the period	(5,811)	(1,141)	29	(6,923)
Equity attributable to owners of the Parent	145,180	7,973	(100)	153,053
Equity attributable to non-controlling interests	2,584	-	-	2,584
LIABILITIES	78,395	2,545	(2,619)	78,321
Non-current liabilities	48,576	-	-	48,576
Loans, credit and other debt instruments	-	-	-	-
Long term trade and other liabilities	35,309	-	-	35,309
Finance lease liabilities	411	-	-	411
Deferred income tax provision	12,856	-	-	12,856
Current liabilities	29,819	2,545	(2,619)	29,745
Borrowings including credits, loans and other debt instruments	14,981	-	-	14,981
Income tax liabilities	417	-	-	417
Trade liabilities and other liabilities	11,489	2,523	(2,619)	11,393
Finance lease liabilities	1,301	-	-	1,301
Other current provisions	1,631	22	-	1,653
Current liabilities other than liabilities included in disposal groups classified as held for sale	29,819	2,545	(2,619)	29,745
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total equity and liabilities	226,159	10,518	(2,719)	233,958

Consolidated profit and loss account by segments for the period from 01.01. to 31.12.2024

	CI GAMES GROUP	UNITED LABEL	Consolidation adjustments	Total
Continued activity				
Net sales revenues	76,587	4,700	(499)	80,788
Costs of production, goods and services sold	(54,692)	(3,655)	15	(58,332)
Gross profit (loss) from sales	21,895	1,045	(484)	22,456
Other operating income	2,298	2	(289)	2,011
Selling costs	(10,513)	(1,672)	483	(11,702)
General management costs	(13,355)	(773)	30	(14,098)
Other operating costs	(3,514)	(54)	289	(3,279)
Impairment loss (impairment gains and impairment loss reversals)	689	-	-	689
Profit (loss) from operating activities	(2,500)	(1,452)	29	(3,923)
Financial income	613	(53)	-	560
Financial costs	(2,527)	(23)	-	(2,550)
Profit (loss) before tax	(4,414)	(1,528)	29	(5,913)
Income tax	(1,088)	387		(701)
Profit (loss) from continuing operations	(5,502)	(1,141)	29	(6,614)
Discontinued activity	-	-	-	-
Loss from discontinued operations	-	-	-	-
NET PROFIT (LOSS), including:	(5,502)	(1,141)	29	(6,614)
- net profit (loss) attributed to the parent entity	(5,811)	(1,141)	29	(6,923)
- net profit (loss) attributed to the non-controlling entity	309	-	-	309
Depreciation	(44,965)	(1,857)	28	(46,794)

Consolidated statement of financial position by segment as at 31.12.2023*

	CI GAMES GROUP	UNITED LABEL	Consolidation adjustments	Total
Non-current assets	183,427	5,379	(128)	188,678
Property, plant and equipment	1,359	8	-	1,367
Intangible assets	163,529	5,206	(28)	168,707
Right-to-use asset	2,276	-	-	2,276
Shares and stocks in subordinated entities	100	-	(100)	-
Long term investments	15,625	165	-	15,790
Deferred tax asset	538	-		538
Long term receivables	74,817	4,963	(952)	78,828
Long term lease receivables	1,502	-		1,502
Current assets	-	-	-	-
Inventory	43,348	1,226	(952)	43,622
Current investments	3,328	143		3,471
Trade and other receivables	26,639	3,594		30,233
Short term lease receivables	74,817	4,963	(952)	78,828
Tax receivables	-	-	-	-
Cash and cash equivalents	258,244	10,342	(1,080)	267,506

* data transformed

Consolidated statement of financial position by segment as at 31.12.2023*	CI GAMES GROUP	UNITED LABEL	Consolidation adjustments	Total
EQUITY	143,804	9,114	(128)	152,790
Share capital	1,829	128	(128)	1,829
Share premium	74,484	4,169	-	78,653
Other reserve capital	21,735	-	-	21,735
Retained earnings	43,075	4,817	(28)	47,864
including profit for the period	5,791	351	(30)	6,112
Equity attributable to owners of the Parent	141,123	9,114	(156)	150,081
Equity attributable to non-controlling interests	2,681	-	28	2,709
LIABILITIES	114,440	1,228	(952)	114,716
Non-current liabilities	23,053	-	-	23,053
Loans, credit and other debt instruments	-	-	-	-
Long term trade and other liabilities	1,359	-	-	1,359
Finance lease liabilities	21,694	-	-	21,694
Deferred income tax provision	91,387	1,228	(952)	91,663
Current liabilities	57,749	1	-	57,750
Borrowings including credits, loans and other debt instruments	123	-	-	123
Income tax liabilities	29,399	1,193	(952)	29,640
Trade liabilities and other liabilities	1,025	-	-	1,025
Finance lease liabilities	3,091	34	-	3,125
Other current provisions	91,387	1,228	(952)	91,663
Current liabilities other than liabilities included in disposal groups classified as held for sale	-	-	-	-
Liabilities included in disposal groups classified as held for sale	258,244	10,342	(1,080)	267,506

* data transformed

Consolidated profit and loss account by segments for the period
from 01.01. to 31.12.2023*

CI GAMES GROUP

UNITED LABEL

Consolidation
adjustments

Total

Continued activity				
Net sales revenues	229,562	7,490	(709)	236,343
Costs of production, goods and services sold	(103,685)	(4,743)	20	(108,408)
Gross profit (loss) from sales	125,877	2,747	(689)	127,935
Other operating income	976	-	(29)	947
Selling costs	(85,108)	(1,098)	730	(85,476)
General management costs	(16,418)	(785)	-	(17,203)
Other operating costs	(1,299)	(4)	29	(1,274)
Impairment loss (impairment gains and impairment loss reversals)	(1,499)	-	-	(1,499)
Profit (loss) from operating activities	22,529	860	41	23,430
Financial income	-	-	-	-
Financial costs	(5,147)	(58)	-	(5,205)
Profit (loss) before tax	17,382	802	41	18,225
Income tax	(10,214)	(451)		(10,665)
Profit (loss) from continuing operations	7,168	351	41	7,560
Discontinued activity	-	-	-	-
Loss from discontinued operations	-	-	-	-
NET PROFIT (LOSS), including:	7,168	351	41	7,560
- net profit (loss) attributed to the parent entity	5,801	351	(40)	6,112
- net profit (loss) attributed to the non-controlling entity	1,448	-	-	1,448
Depreciation	(64,334)	(1,833)	40	(66,127)

* data transformed

Note 26: Sales revenues

The sales structure of the Group's products, divided into games production and sales activities and publishing activities:

Sales revenue	2024	2023*
	PLN'000	PLN'000
Game Sales and Production	76,587	229,562
Publishing activities	4,700	7,490
Other	(499)	(709)
Total	80,788	236,343

* data transformed

The Group's sales structure, broken down into media distribution and digital distribution, as well as the geographical breakdown, is presented below.

Sales structure of the Group's products in value terms:

Sales structure	2024	2023*
Console games	44%	68%
PC games	55%	32%

* data transformed

The structure of the Group's sales revenues in individual distribution channels is presented below in value terms (in PLN thousand):

Revenues	2024	Share (%)	2023	Share (%)
Sales on physical media	1,141	1%	51,437	22%
Digital sales	79,184	99%	184,224	78%
Other sales	463	-	682	-
Total	80,788	100%	236,343	100%

* data transformed

The Group's sales revenues (in value terms in PLN thousand):

Revenues	2024	2023*
Abroad	80,788	235,913
Share (%)	100%	100%
Domestic	-	430
Share (%)	-	-
Total	80,788	236,343

* data transformed

Clients whose share in CI Games consolidated sales in 2024 exceeded 10%:

- Microsoft Corporation (37% of consolidated sales value) – an entity unrelated to the Group, Xbox platform for digital sales.
- Sony Interactive Entertainment (31% of consolidated sales value) – three legal entities from Europe, the USA, Japan, unrelated to the Group, PlayStation platform for digital sales;
- Valve Corporation (23% of consolidated sales value) – an entity unrelated to the Group, Steam platform for digital sales of games.

Note 27: Costs by type

COSTS BY TYPE	2024	2023*
	PLN'000	PLN'000
Depreciation	46,794	66,127
Material and energy consumption	868	1,079
External services	23,954	99,207
Taxes and fees	280	364
Employee benefits	6,615	8,363
Other costs	3,503	13,789
Costs by type	82,014	188,929
Selling costs	(11,702)	(85,476)
General and administrative costs	(14,098)	(17,203)
Value of products sold	2,118	22,158
Cost of products sold	58,332	108,408

* data transformed

Employee benefits:

EMPLOYEE BENEFITS	2024	2023*
	PLN'000	PLN'000
Salaries	5,332	7,393
Social security	835	442
Other employee benefits	448	528
Total employee benefits	6,615	8,363

* data transformed

Note 28: Other operating income

OTHER OPERATING INCOME	2024	2023
	PLN'000	PLN'000
Reversal of impairment allowance for inventories	1,279	-
Profit from sale of non-financial fixed assets	175	1
Re-invoicing	261	43
Stocktaking differences	52	5
Resolving unused reserves	156	-
Other	88	898
Total other operating income	2,011	947

Note 29: Other operating expenses

OTHER OPERATING EXPENSES	2024	2023
	PLN'000	PLN'000
Inventory write-down	795	1,131
Liquidation of inventories and fixed assets	157	42
Impairment loss on intangible assets	54	-
Written off receivables	922	4
Stocktaking differences	266	40
Employees' severance payments	877	-
Legal costs	124	-
Court costs	-	43
Other	84	14
Total other operating expenses	3,279	1,274

Note 30: Provision for credit losses

IMPAIRMENT OF RECEIVABLES	2024 PLN'000	2023 PLN'000
Reversal of receivables write-off	745	133
Creation of a write-down on receivables	(56)	(1,632)
Total impairment of receivables	689	(1,499)

Note 31: Financial income

FINANCIAL REVENUE	2024 PLN'000	2023 PLN'000
Interest accrued	15	-
Net exchange rate differences positive	517	-
The remaining	28	-
Total financial revenues	560	-

Note 32: Financial costs

FINANCIAL COSTS	2024 PLN'000	2023 PLN'000
Interest accrued	2,392	2,837
Net exchange rate differences negative	-	1,443
Commissions and other fees	158	925
Total financial costs	2,550	5,205

Note 33: Income Tax

INCOME TAX	2024 PLN'000	2023* PLN'000
Gross profit	(5,913)	18,225
Current income tax	(1,803)	1,696
Withholding tax paid abroad	(169)	(7,301)
Deferred tax:	1,271	(5,060)
Decrease/increase in deferred tax assets	(7,567)	14,773
Decrease/increase in deferred tax provision	8,838	(19,833)
Total income tax expense included in the profit and loss account	(701)	(10,665)
Net profit	(6,614)	7,560
Effective tax rate	(11.9%)	58.5%

* data transformed

The income tax burden on the financial result consists of the following items:

- The current tax burden is calculated based on the tax result (tax base) of a given financial year. Tax profit (loss) differs from accounting net profit (loss) due to the exclusion of taxable revenues and costs constituting the costs of obtaining revenues in subsequent years and items of revenue and costs that will never be subject to taxation. Tax burdens are calculated based on the tax rates applicable in a given financial year.

- Withholding tax paid abroad relates to withholding tax deducted by the Company's customers.
- Deferred tax is calculated using the balance sheet method as tax payable or refundable in the future on the differences between the carrying amounts of assets and liabilities and their corresponding tax values used to calculate the tax base. As at 31.12.2024, the Group's deferred tax consists of the following items:
 - a decrease in the deferred tax asset balance of PLN 7,567 thousand, mainly due to the use of tax losses and the use of the reserve for price reductions; and
 - a decrease in the balance of the deferred tax provision by PLN 8,838 thousand, resulting mainly from the decreasing difference between the tax and book value of development works.

The calculation of deferred tax assets and liabilities is presented in Note 5.

Note 34: Net earnings per share

Earnings per share	for the period from 1 January to 31 December 2024	for the period from 1 January to 31 December 2023*
Basic profit (basic loss) per share (PLN)	(0.04)	0.03
from continuing operations	(0.04)	0.03
from discontinued operations	-	-
Diluted earnings (diluted loss) per share (PLN)	(0.04)	0.03
from continuing operations	(0.04)	0.03
from discontinued operations	-	-
Weighted average number of ordinary shares (thousand units)	183,656	182,943
Weighted average number of shares for the calculation of diluted earnings per share (thousand shares)	183,656	185,962

* data transformed

The consolidated net loss per outstanding CI Games share attributable to the parent entity (the number of shares was calculated as the weighted average number of shares outstanding in 2024) as at 31 December 2024 amounts to PLN 0.04.

In 2024, the weighted average number of ordinary shares was calculated taking into account the issue of series J shares, 3,518,560 shares were issued on October 28, 2024 and 4,363,305 shares were issued on December 23, 2024.

The weighted average diluted number of shares in 2023 was calculated as the weighted average number of shares adjusted for the dilutive effect of subscription warrants allocated to key employees under the incentive program.

Note 35: Related party transactions

All transactions with related parties were concluded on market terms.

Below is the value of transactions with entities related to the Group:

Transactions for the period from 1 January to 31 December 2024 and balances as of 31 December 2024

	COSTS*	REVENUES	RECEIVABLES	LIABILITIES
Entity	PLN'000	PLN'000	PLN'000	PLN'000
CI Games Bucharest Studio SRL	808	-	-	17
Total	808	-	-	17

* including capitalized costs

Transactions with companies personally associated with Mr. Marek Tymiński – the main shareholder of the Company, who directly or indirectly controls the following entities:

Transactions for the period from 1 January to 31 December 2024 and balances as of 31 December 2024

	COSTS	REVENUE	RECEIVABLES	LIABILITIES
Entity	PLN'000	PLN'000	PLN'000	PLN'000
Fine Dining Sp. z o. o.	-	-	27	-
Total	-	-	27	-

Transactions with Members of the Supervisory Board and Members of the Management Board of CI Games, including companies associated with them personally:

Transactions for the period from 1 January to 31 December 2024 and balances as of 31 December 2024

	COSTS	REVENUE	RECEIVABLES	LIABILITIES
	PLN'000	PLN'000	PLN'000	PLN'000
Marek Tyminski	5	-	3,803	-
Katarzyna Niewinska	5	-	-	-
Total	10	-	3,803	-

The balance of receivables with Mr. Marek Tymiński concerns a loan granted for the purchase of the Company's shares under the incentive plan.

Transactions for the period from 1 January to 31 December 2024 and balances as of 31 December 2024

Subject	COSTS	REVENUE	RECEIVABLES	LIABILITIES
	PLN'000	PLN'000	PLN'000	PLN'000
Active Ownership Fund Sicav-FIS SCS	1,389	-	-	-
Total	1,389	-	-	-

Transactions with the shareholder CI Games concerning the issue of bonds convertible into series F shares (the costs concerned interest on bonds):

Note 36: Employment information for CI Games Group

EMPLOYMENT STRUCTURE	as of 31.12.2024	as of 31.12.2023
Development employees*	126	143
Administration and sales	34	48
Total employment	160	191

* The given figures include permanent collaborators of the Company who directly and personally contribute to its functioning, regardless of the legal basis of employment (employment contract, contract for specific work, contract of mandate, contract for the provision of services, other legal relations of a similar nature) and the length of the planned period of cooperation (indefinite period, fixed term, trial period).

Note 37: Remuneration of Management Board Members and CI Games Supervisory Board

Remuneration of the CI Games Management Board in the Group in 2024:

Name and surname	Position	Annual remuneration in the Group (PLN)
Marek Tyminski	Chairman of the Board	1,338,285.00
David Broderick	Vice President of the Management Board	1,023,135.20*

*includes severance cost

Remuneration of members of the Supervisory Board of CI Games in 2024:

Name and surname	Position	Annual salary (PLN)
Michael Foley	Chairman of the Supervisory Board	137,328.00
Marcin Garlinski	Member of the Supervisory Board	98,995.64
Artur Osuchowski	Member of the Supervisory Board from 17/03/2023 to 25/06/2024	49,575.34
Florian Schuhbauer	Member of the Supervisory Board	98,995.64
Adam Niewiński	Member of the Supervisory Board	98,995.64
Jeremy M.J. Lewis	Member of the Supervisory Board	98,995.64
Total		582,885.90

Note 38: Events after the balance sheet date

- After the balance sheet date, the key event was the signing of three new loan agreements and an annex to the Multi-Purpose Credit Limit Agreement – described in Note 40.
- On 24 January 2025, the Issuer's subsidiary CI Games MP SL received a lawsuit from an employee employed at CI Games MP SL regarding claims for a total amount of EUR 157,607.70 related to the employee's participation in the incentive program for 2021-2023. In the Company's opinion, the employee's claims are unfounded, as the employee acquired shares in the Issuer under the incentive program for 2021-2023. The date of the planned hearing was set for 22 February 2027.
- On February 17, 2025, Mr. Nicholas Beliaeff was appointed a member of the Supervisory Board.
- On April 17, 2025, CI Games released Version 2.0, the definitive edition of "Lords of the Fallen" — a major free update for all owners on PC, PS5, and Xbox Series X|S and the culmination of over 50 post-launch updates to date.

Note 39: Contingent liabilities

On April 21, 2023, the Company received a lawsuit filed by 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. in the District Court in Warsaw. The subject of the dispute is a claim for payment of a contractual penalty, redress of damages and reimbursement of costs resulting from the lease agreement concluded by the Company with the plaintiffs on November 10, 2017. The Company filed a response to the lawsuit, in which it disputed the claims as unfounded and unproven. On November 27, 2023, the plaintiffs partially withdrew the lawsuit regarding compensation for lost rent, therefore, as of the date of publication of this report, the value of the subject of the dispute is PLN 1,852,959.67, and the case is pending. As of the date of the report, the proceedings are pending. The Company considers the claim to be entirely unfounded and unproven, therefore, by decision of the Management Board, a financial reserve was not created for this purpose.

Note 40: Loans and collateral

- On April 10, 2024, CI Games SE signed a multi-purpose credit limit agreement with PKO BP SA in the amount of PLN 15 million. The loan was granted for the period from April 10, 2024 to April 9, 2025. The loan may be granted in both EUR and PLN, depending on the Company's decision. On March 21, 2025, the Company concluded Annex No. 1 to the Multi-Purpose Credit Limit Agreement ("Annex 1"), pursuant to which the credit limit was increased by PLN 9,500,000.00 to PLN 24,500,000.00, and the credit period was extended until April 9, 2027. The security for the loan in accordance with Annex 1 is: a) a blank promissory note issued by the Company together with a promissory note declaration, b) a repayment guarantee granted by Bank Gospodarstwa Krajowego ("BGK"), c) a registered pledge and a civil pledge on the Company's shares held by the shareholder Marek Lech Tyminiński, d) assignment of receivables.
- On March 21, 2025, the Company entered into a non-revolving working capital loan agreement with PKO BP (hereinafter referred to as the "KON 1 Agreement") in the amount of PLN 8,500,000.00. The loan was granted for the period from March 21, 2025 to September 30, 2026. The loan security in accordance with the KON 1 Agreement consists of: a) a BGK loan repayment guarantee, b) a blank promissory note issued by the Company together with a promissory note declaration.
- On March 21, 2025, the Company entered into a non-revolving working capital loan agreement with PKO BP (hereinafter referred to as the "KON 2 Agreement") in the amount of PLN 8,500,000.00. The loan was granted for the period from March 21, 2025 to October 31, 2026. The loan is secured by: a) a BGK loan repayment guarantee, b) a blank promissory note issued by the Company together with a promissory note declaration.
- On March 21, 2025, the Company entered into a non-revolving working capital credit agreement with PKO BP ("KON 3 Agreement") in the amount of PLN 8,500,000.00. The loan was granted for the period from March 21, 2025 to November 30, 2026. The loan is secured by: a) a BGK loan repayment guarantee; b) a blank promissory note issued by the Company together with a promissory note declaration.

Note 41: Information on agreements with the entity authorized to audit financial statements

On 12/12/2023, the Supervisory Board of CI Games selected Grant Thornton Polska Prosta spółka akcyjna with its registered office in Poznań, recommended by the Audit Committee, as the auditor to review the semi-annual and audit the annual financial statements of the Company and its Capital Group for the years 2024-2025. The selected entity is entered on the list of entities authorized to audit financial statements, maintained by the Polish Audit Supervision Agency under the registration number 4055.

Remuneration of the entity authorized to audit the financial statements of the Company and the Group	Annual net salary (PLN) in 2024	Annual net salary (PLN) in 2023
Audit of annual financial statements	134,000	71,000
Review of financial statements	58,000	35,000
Other assurance services related to the Remuneration Report	8,000	14,250
Total	200,000	120,250

IV. CI GAMES SE MANAGEMENT STATEMENT

Statement of the Management Board of CI Games SE

On the reliability of the preparation of the annual consolidated financial statements

Pursuant to the provisions of par. 71 section 1 item 6 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws of 2018, item 757), the Management Board of CI Games SE declares that, to the best of its knowledge, the annual consolidated financial statements and comparable data have been prepared in accordance with the applicable accounting principles and that they reflect in a true, reliable and clear manner the assets and financial situation of the CI Games Capital Group and its financial result, as well as that the annual report on the activities of the CI Games Capital Group contains a true picture of the development, achievements and situation of the Group, including a description of the basic threats and risks.

Regarding the entity authorized to audit the individual financial statements of CI Games SE and the consolidated annual financial statements of the CI Games Capital Group

On 12/12/2023, the Supervisory Board of CI Games selected Grant Thornton Polska Prosta spółka akcyjna with its registered office in Poznań, recommended by the Audit Committee, as the auditor to review the semi-annual and audit the annual financial statements of the Company and its Capital Group for the years 2024-2025. The selected entity is entered on the list of entities authorized to audit financial statements, maintained by the Polish Audit Supervision Agency under the registration number 4055.

The consolidated financial statements for 2024 were approved for publication by the Management Board on April 23, 2025.

CI Games SE Management

Marek Tyminski

CEO, Chairman of the Board

Person responsible for maintaining accounting records

Monika Pierzchała

Chief Accountant