



CI GAMES
CAPITAL GROUP

QUARTERLY FINANCIAL REPORT FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2022

Warsaw, 23 November 2022

Key financial highlights of the Group

	9M2022	Adjusted 9M2022**	9M2021
Net revenues	41,255	41,255	81,882
Operating profit	6,264	14,677 **	31,359
<i>EBIT margin (%)</i>	15.2%	35.6%	38.3%
Reported EBITDA	12,203	20,616 **	48,869
<i>EBITDA margin (%)</i>	29.6%	50.0%	59.7%
Adjusted EBITDA*	13,537	21,950 **	48,869
<i>Adjusted EBITDA margin (%)</i>	32.8%	53.2%	59.7%
Net profit	9,479	17,892 **	27,219
<i>Net profit margin (%)</i>	23.0%	43.4%	33.2%
Weighted average no of shares (thousands)	182,943	182,943	182,943
Earnings per share (PLN/share)	0.05	0.10 **	0.14
Net cash flows from operating activities	28,541	28,541	47,984
Net cash flows from investing activities	(58,717)	(58,717)	(33,237)
Net cash flows from financing activities	3,369	3,369	(383)
Total net cash flow	(26,807)	(26,807)	14,364
	30.09.2022	30.09.2022	31.12.2021
Cash and cash equivalents	11,113	11,113	37,843
Total assets	169,179	169,179	152,112
Own equity	142,287	142,287	135,109
Share capital	1,829	1,829	1,829
Debt	8,783	8,783	4,880

*EBITDA has been adjusted by a non-cash item - recognition of motivational plan

** Adjusted by dual listing costs and costs of marketing campaign of The Lords of the Fallen

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SELECTED CONSOLIDATED FINANCIAL INFORMATION

Profit and Loss Accounts	for the period from 1.01 to 30.09.2022		for the period from 1.01 to 30.09.2021	
	PLN'000	EUR'000	PLN'000	EUR'000
Net revenue from sales	41,255	8,800	81,882	17,963
Profit (loss) from operating activities	6,264	1,336	31,359	6,879
Gross profit (loss)	9,656	2,060	33,584	7,367
Net profit (loss)	9,479	2,022	27,219	5,971
Weighted average number of shares (in thousands)	182,943	182,943	182,943	182,943
Net profit (loss) per ordinary share attributable to equity owners of the Parent (PLN)	0.05	0.01	0.14	0.03

Statement of cash flow	9M2022		9M2021	
	PLN'000	EUR'000	PLN'000	EUR'000
Net cash flows from operating activities	28,541	6,088	47,984	10,526
Net cash flows from investing activities	(58,717)	(12,525)	(33,237)	(7,291)
Net cash flows from financing activities	3,369	719	(383)	(84)
Net cash flows	(26,807)	(5,718)	14,364	3,151

Balance sheet	as of 30.09.2022		as of 31.12.2021	
	PLN'000	EUR'000	PLN'000	EUR'000
Non-current assets	140,269	28,804	90,767	19,735
Current assets	28,910	5,937	61,345	13,338
Total assets	169,179	34,740	152,112	33,072
Equity	142,287	29,218	135,109	29,375
Initial capital	1,829	376	1,829	398
Liabilities	26,892	5,522	17,003	3,697
Non-current liabilities	5,745	1,180	6,839	1,487
Current liabilities	21,147	4,342	10,164	2,210
Total equity and liabilities	169,179	34,740	152,112	33,072



KEY FINANCIAL DATA OF CI GAMES CAPITAL GROUP



CONSOLIDATED STATEMENT OF FINANCIAL CONDITIONS

ASSETS	as of 30.09.2022 PLN'000	as of 30.06.2022 PLN'000	as of 31.12.2021 PLN'000	as of 30.09.2021 PLN'000
Non-current assets	140,269	120,543	90,767	80,190
Property, plant and equipment	1,618	1,663	1,774	1,672
Intangible assets	131,657	112,238	80,959	72,331
Right-to-use asset	3,646	3,894	4,391	4,640
Long term investments	-	-	-	-
Deferred tax asset	2,873	2,748	3,643	1,547
Long term receivables	475	-	-	-
Current assets	28,910	45,990	61,345	70,082
Inventory	1,898	2,131	2,614	2,814
Current investments	65	63	61	2,340
Trade and other receivables	11,298	21,421	17,240	22,773
Tax receivables	4,536	4,658	3,587	-
Cash and cash equivalents	11,113	17,717	37,843	42,155
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners	28,910	45,990	61,345	70,082
Non-current assets classified as held for sale or as held for distribution to owners	-	-	-	-
Total assets	169,179	166,533	152,112	150,272

LIABILITIES & EQUITY	as of 30.09.2022 PLN'000	as of 30.06.2022 PLN'000	as of 31.12.2021 PLN'000	as of 30.09.2021 PLN'000
EQUITY	142,287	148,742	135,109	123,659
Share capital	1,829	1,829	1,829	1,829
Share premium	78,653	78,653	78,653	78,653
Other reserve capital	17,369	16,919	16,629	16,303
Retained earnings	43,170	49,473	36,294	25,915
including profit for the period	9,238	13,179	36,808	26,429
Equity attributable to owners of the Parent	141,021	146,874	133,405	122,700
Equity attributable to non-controlling interests	1,266	1,868	1,704	959
LIABILITIES	26,892	17,791	17,003	26,613
Non-current liabilities	5,745	5,954	6,839	8,068
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	3,202	3,383	3,925	4,261
Deferred income tax provision	2,543	2,571	2,914	3,807
Current liabilities	21,147	11,837	10,164	18,545
Borrowings including credits, loans and other debt instruments	4,305	-	13	-
Income tax liabilities	104	41	41	2,183
Trade liabilities and other liabilities	12,118	6,402	4,972	11,030
Finance lease liabilities	1,276	1,237	955	687
Other current provisions	3,344	4,157	4,183	4,645
Current liabilities other than liabilities included in disposal groups classified as held for sale	21,147	11,837	10,164	18,545
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total equity and liabilities	169,179	166,533	152,112	150,272

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND COMPREHENSIVE INCOME

Statement of comprehensive income	for the period from 1.01 to 30.09.2022 PLN'000	for the period from 1.07 to 30.09.2022 PLN'000	for the period from 1.01 to 30.09.2021 PLN'000	for the period from 1.07 to 30.09.2021 PLN'000
Continuing operations				
Net revenue from sales	41,255	10,794	81,882	32,658
Costs of products, goods and services sold	(11,813)	(3,899)	(32,131)	(11,763)
Gross profit (loss) on sales	29,442	6,895	49,751	20,895
Other operating revenues	116	79	907	17
Selling costs	(10,743)	(6,911)	(13,296)	(4,233)
General and administrative costs	(12,180)	(4,718)	(5,449)	(2,131)
Other operating expenses	(337)	(89)	(554)	(505)
Impairment loss/impairment gain and reversal of impairment loss	(34)	-	-	-
Profit (loss) on operating activities	6,264	(4,744)	31,359	14,043
Financial revenues	3,943	1,252	2,404	2,010
Financial expenses	(551)	(373)	(179)	(107)
Profit (loss) before tax	9,656	(3,865)	33,584	15,946
Income tax	(177)	-	(6,365)	(2,309)
Profit (loss) on continuing operations	9,479	(3,865)	27,219	13,637
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
Net profit (loss)	9,479	(3,865)	27,219	13,637
- net profit (loss) attributable to equity owners of the Parent	9,238	(3,941)	26,429	12,837
- net profit (loss) attributable to non-controlling interest	241	77	790	800
Total other comprehensive income including:				
Other comprehensive income that will be reclassified to profit or loss before tax	(594)	(120)	(104)	(57)
Foreign exchange differences from translation of foreign entities	(594)	(120)	(104)	(57)
Other comprehensive income before tax	(594)	(120)	(104)	(57)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Other net comprehensive income	(594)	(120)	(104)	(57)
TOTAL COMPREHENSIVE INCOME	8,885	(3,985)	27,115	13,580
- total net comprehensive income attributable to equity owners of the Parent	8,644	(4,061)	26,325	12,780
- total net comprehensive income attributable to non-controlling interest	241	77	790	800
Weighted average number of ordinary shares (thousands)	182,943	182,943	182,943	182,943
Diluted number of shares (thousands)	185,836	185,836	182,943	182,943
Basic Earnings per share attributable to equity owners of the Parent (PLN)	0.05	(0.02)	0.14	0.07
Diluted Earnings per share attributable to equity owners of the Parent (PLN)	0.05	(0.02)	0.14	0.07

CONSOLIDATED CASH FLOW STATEMENT
(indirect method)

	for the period from 1.01 to 30.09.2022 PLN'000	for the period from 1.07 to 30.09.2022 PLN'000	for the period from 1.01 to 30.09.2021 PLN'000	for the period from 1.07 to 30.09.2021 PLN'000
Cash flows from operating activities				
Gross profit (loss)	9,656	(3,865)	33,584	15,946
Total adjustments	19,336	17,174	15,397	22,186
Depreciation and amortisation	5,925	1,630	17,510	5,267
Impairment loss (reversal)	180	52	-	-
Profit (loss) on foreign exchange differences	(386)	(653)	470	595
Adjustments to finance cost /income	224	68	(38)	(73)
Profit (loss) on sales of fixed assets	(45)	(45)	-	-
Change in trade and other receivables	7,321	12,372	(11,618)	10,911
Change in inventories	528	230	(1,283)	(375)
Change in trade and other payables	7,394	6,064	6,573	4,156
Change in provisions	495	(244)	3,783	1,705
Other adjustments	(2,300)	(2,300)	-	-
Net cash flows from operating activities	28,992	13,309	48,981	38,132
Paid corporate income tax (return) related to operating activity	(451)	(305)	(997)	(997)
NET CASH FLOWS FROM OPERATING ACTIVITIES (used in the operating activity)	28,541	13,004	47,984	37,135
Cash flows from investing activities				
Repayment of loans granted	-	-	-	-
Cash inflows on disposal of property, plant and equipment and intangible assets	53	53	-	-
Cash outflows on acquisition of property, plant and equipment and intangible assets	(58,770)	(23,804)	(31,386)	(14,153)
Cash outflows on acquisition of financial assets	-	-	(1,851)	(596)
Cash outflows on loans granted	(58,717)	(23,751)	(33,237)	(14,749)
Cash flows from financing activities				
Net proceeds from the issue of shares and other capital instruments	-	-	-	-
Inflows from loans	4,292	4,292	-	-
Repayment of loans	-	13	(33)	(1)
Repayment of finance lease liabilities	(699)	(346)	(333)	(43)
Interest	(58)	(30)	(17)	(1)
Other financial outflows	(166)	(38)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	3,369	3,891	(383)	(45)
TOTAL NET CASH FLOWS	(26,807)	(6,856)	14,364	22,341
Exchange differences on cash	77	252	(416)	(364)
Balance sheet changes in cash and cash equivalents	(26,730)	(6,604)	13,948	21,977
Cash and cash equivalents at the beginning of the period	37,843	17,717	28,207	20,178
Cash and cash equivalents at the end of the period	11,113	11,113	42,155	42,155

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the period from 01.01. to 30.09.2022	Share capital	Share premium	Other reserve capital	Retained earnings	Equity attributable to owners of parent	Non controlling interest	Equity
PLN'000							
As of 01.01.2022	1,829	78,653	16,629	36,294	133,405	1,704	135,109
As of 01.01.2022, upon conversion	1,829	78,653	16,629	36,294	133,405	1,704	135,109
Profit (loss) for the period	-	-	-	9,238	9,238	241	9,479
Increase (decrease) as the result of other changes in equity	-	-	(594)	-	(594)	-	(594)
Total	-	-	(594)	9,238	8,644	241	8,885
Incentive program costs	-	-	1,334	-	1,334	-	1,334
Increase (decrease) as the result of other changes in equity	-	-	-	(2,362)	(2,362)	(679)	(3,041)
Issue of shares	-	-	-	-	-	-	-
Changes in equity	-	-	740	6,876	7,616	(438)	7,178
As of 30.09.2022	1,829	78,653	17,369	43,170	141,021	1,266	142,287

As of 30.09.2022, consolidated equity has been adjusted by PLN (3,041) thousand, which reflects purchase of additional shares in United Label. The difference between the amount by which non-controlling interests are adjusted and the fair value of consideration paid, has been recognised directly in equity and attributed owners of the parent.

For the period from 01.01. to 31.12.2021	Share capital	Share premium	Other reserve capital	Retained earnings	Equity attributable to owners of parent	Non controlling interest	Equity
PLN'000							
As of 01.01.2021	1,829	78,653	16,407	(514)	96,375	169	96,544
As of 01.01.2021, upon conversion	1,829	78,653	16,407	(514)	96,375	169	96,544
Profit (loss) for the period	-	-	-	36,808	36,808	1,535	38,343
Increase (decrease) as the result of other changes in equity	-	-	222	-	222	-	222
Total	-	-	222	36,808	37,030	1,535	38,565
Incentive program costs	-	-	-	-	-	-	-
Increase (decrease) as the result of other changes in equity	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Changes in equity	-	-	222	36,808	37,030	1,535	38,565
As of 31.12.2021	1,829	78,653	16,629	36,294	133,405	1,704	135,109

For the period from 01.01. to 30.09.2021	Share capital	Share premium	Other reserve capital	Retained earnings	Equity attributable to owners of parent	Non controlling interest	Equity
PLN'000							
As of 01.01.2021	1,829	78,653	16,407	(514)	96,375	169	96,544
As of 01.01.2021, upon conversion	1,829	78,653	16,407	(514)	96,375	169	96,544
Profit (loss) for the period	-	-	-	26,429	26,429	790	27,219
Increase (decrease) as the result of other changes in equity	-	-	(104)	-	(104)	-	(104)
Total	-	-	(104)	26,429	26,325	790	27,115
Incentive program costs	-	-	-	-	-	-	-
Increase (decrease) as the result of other changes in equity	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Changes in equity	-	-	(104)	26,429	26,325	790	27,115
As of 30.09.2021	1,829	78,653	16,303	25,915	122,700	959	123,659

II.

KEY INFORMATION ABOUT CI GAMES CAPITAL GROUP

1. General information: name, headquarters and principal activity of CI Games

- CI Games S.A. ("the Issuer", "the Dominant Entity", "the Company") was registered on 01.06.2007 as City Interactive S.A. On 07.08.2013, at the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register which recorded the change of Company's name from the previous name to CI Games S.A. The registered office of the Company is located in Warsaw at Rondo Daszyńskiego 2B.
- The Company is entered in the Register of Entrepreneurs under the number KRS 0000282076 at the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division. The entry was made by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register. The court of registration of the Company is currently the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register.
- The core business activity of the Company consists of production, publishing and distribution of video games.
- Tax identification number (NIP): 1181585759.
- Statistical identification number (REGON): 017186320.
- The Company has been established for an unlimited period of time.

2. Structure of the Capital Group and consolidation principles

As of 30.09.2022, CI Games Capital Group ("the Group", "Capital Group CI Games") consisted of the following entities:

- CI Games S.A. with a registered office in Warsaw. Share capital: PLN 1,829,430.15. Dominant Entity. The Company is listed on the regulated market conducted by the Warsaw Stock Exchange in Warsaw S.A.
- United Label S.A. with a registered office in Warsaw. Share capital: PLN 127,500. 91.65% shares held by CI Games S.A., with the remaining shares owned by private individuals. The Company is listed on New Connect market (Alternative Trading System – ATS) conducted by the Warsaw Stock Exchange in Warsaw S.A.
- CI Games USA Inc. with a registered office in the state of Delaware, United States of America. Share capital: USD 50,000. 100% shares held by CI Games S.A.
- Business Area sp. z o.o. with a registered office in Warsaw. Share capital: PLN 5,000; 100% shares held by CI Games S.A.
- Business Area sp. z o.o. sp.j. with a registered office in Warsaw. 99.99% contribution of CI Games S.A.; the remaining 0.01% of Business Area sp. z o.o.

- CI Games S.A. sp.j. with a registered office in Warsaw. 99.99% contribution of Business Area sp. z o.o. sp.j.; the remaining 0.01% of CI Games S.A.
- CI Games UK Ltd. with a registered office in London, the United Kingdom. Share capital GBP 100; 100% shares held by CI Games S.A.
- CI Games Mediterranean Projects S.L. with a registered office in Barcelona, Spain. Share capital: EUR 3,000. 75% shares held directly by CI Games S.A.; the remaining 25% shares owned by Mclex Trust sp. z o.o. with a registered office in Warsaw.
- CI Games Bucharest Studio S.R.L. with a registered office in Bucharest, Romania. Share capital: LEI 200. 100% shares owned directly by CI Games S.A.

Subsidiaries consist of entities controlled by the dominant entity. Such relationship exists whenever the dominant entity:

- holds the authority over the entity in question;
- is exposed to or has the right to variable returns generated as a result of its involvement in the entity in question;
- has the ability to influence the amount of returns generated by the entity in question by exercising its authority over such entity.

The Dominant Entity consolidates its subsidiaries which, as long as they meet the materiality threshold – are subject to full consolidation. CI Games Bucharest S.R.L. is excluded from consolidation due to materiality level.

3. Composition of the governing bodies of the Parent Entity

Management Board of the Parent Entity in the third quarter of 2022:

Marek Tymiński	CEO, President of the Management Board
David Broderick	CFO, Vice President of the Management Board from 01.03.2022
Monika Rumianek	Member of the Management Board until 05.07.2022

Composition of the Supervisory Board of the Company in the third quarter of 2022 was as follows:

Ryszard Bartkowiak	Chairman of the Supervisory Board
Rafał Berliński	Member of the Supervisory Board
Marcin Garliński	Member of the Supervisory Board
Grzegorz Leszczyński	Member of the Supervisory Board until 05.09.2022
Adam Niewiński	Member of the Supervisory Board
Jeremy M.J. Lewis	Member of the Supervisory Board from 05.09.2022

4. The shareholding structure of the Parent Entity

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

On 16.05.2022 (current report 11/2022), the Company received a notification from the Active Ownership Fund Sicav-FIS SCS based in Luxembourg about the purchase of a total of 25,842,439 shares of the Company, which constituted 14.13% of the total number of shares and votes at the general meeting of the Company.

On 22.08.2022 (current report 22/2022) and on 13.09.2022 (current report no 32/2022) the Company received notifications from the Active Ownership Fund Sicav-FIS SCS based in Luxembourg about the purchase of additional 9,147,021 and 50,000 shares, respectively. Detailed information on changes in the ownership structure of significant blocks of the Issuer's shares received pursuant to the applicable regulations was provided by the Company in current report no. 22/2022 and 32/2022. Total volume of total purchased shares by Active Ownership Fund Sicav-FIS SCS is 36,618,931, which constitutes 20,02% of the total number of shares and votes at the general meeting of the Company.

Share capital– structure	Number of shares and number of votes	% of votes in the share capital of the Company and in the total number of votes
Marek Tymiński	53,083,570	29.02%
Active Ownership Fund Sicav-FIS SCS	36,618,931	20.02%
Other shareholders	93,240,514	50.97%
Total	182,943,015	100.00%

5. Ownership of CI Games S.A. shares or rights to shares by persons managing and supervising the Company

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

Person	Function	State as of 31.12.2021	State as of 23.11.2022 (report publication date)
Marek Tymiński	President of the Management Board	53,083,570	53,083,570
Marcin Garliński	Member of the Supervisory Board	40,000	40,000
Rafał Berliński	Member of the Supervisory Board	66,000	66,000

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

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

Rafał Berliński, a member of the Supervisory Board of the Company, holds 66,000 shares of the Issuer, constituting 0.04% of the total number of votes during the general meeting of the Company.

According to the best knowledge of the Company, the remaining members of the Supervisory Board hold no shares of the Company in the third quarter 2022 and as of the date of the release of this report.



BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Statement of compliance and general principles of preparation the quarterly financial statements

The interim condensed consolidated financial statements were prepared in accordance with requirements of IAS 34 „Interim financial reporting“ approved by EU („IAS 34“) and the scope required by the Minister of Finance Regulation of March 29, 2018 on current and periodical information to be published by issuers of securities and conditions of consideration of information required by the law of non-member country's law as equal (Official Journal 2018, item 757) and present financial position of the Group and the Company as of September, 2022 financial results and cash flow for the 9-months and 3-months periods ended 30.09.2022 and 30.09.2021.

The quarterly interim financial statements do not include all the information and disclosures required by annual financial statements and therefore they should be read in conjunction with the Financial Statement of CI Games Capital Group for the period ended December 31, 2021 approved for publication on 08.04.2022.

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

The Management Board verifies the estimates and assumptions on an ongoing basis and records any changes in these in the period, in which they were made. The key judgments and estimates made by Management applied in the preparation of interim financial statements remained unchanged compared to the judgments and estimates applied in the consolidated financial statements ended December 31, 2021

2. Going concern assumption

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

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

3. Functional currency and presentation currency

Data in the consolidated financial statement and notes to the financial statement have been presented in thousands of zlotys, which is the presentation currency and the functional currency.

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

- as of 30.09.2022 - 4.8698 PLN/EUR
- as of 30.09.2021 - 4.6329 PLN/EUR

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

- for the three quarters of 2022 - 4.6880 PLN/EUR
- for the three quarters of 2021 - 4.5585 PLN/EUR

4. Changes in the accounting principles and comparability of data presented in the financial statements

A description of material accounting principles applied by the Issuer can be found in the financial statement for the year ended on December 31, 2021, which was made public on April 8, 2022.

In the three quarters of 2022, there was not changes in the accounting policy. There were presentation changes (as indicated below) comparing to 2021. Additionally, in 2022 the Company recognised of a share-based plan (described on the following pages).

Presentation changes

In accordance with requirements of European Securities and Markets Authority (ESMA), the Company and the Group prepared Financial Statements in line with unified European form ESEF. Consequently, some of the items of the financial statements were aggregated to be adapted to ESMA taxonomy as of 31.12.2021. Following these changes, the respective presentation changes have been applied to the financial statements for the three quarters of 2022 and the respective period of 2021.

Balance sheet of the Company and the Group:

- Line "Advances for intangible assets" were merged with line "Intangible asset other than goodwill".
- Lines "Trade receivables", "Prepayments" and "Other assets" were included in "Trade and other receivables".
- Lines "Reserve capital", "Reserve capital for purchase of own shares" and "Foreign exchange differences from translations" were aggregated in line "Other reserve capital".
- Lines "Dividend capital", "Reserve capital" were aggregated in line "Retained earnings".
- Lines "Trade liabilities", "Other liabilities" and "Deferred income" were aggregated in line "Trade and other short term liabilities".

Income Statement of the Company and the Group:

- Line " Impairment loss /impairment gain and reversal of impairment loss" was separated out of "Other operating income/costs".

Cash flow statements:

- Aggregation of "Interest" and "Commission on loans" into one category "Adjustment from finance income /costs".
- As the result of aggregation items in the balance sheet, the respective aggregations were made in the cash flow from operating activity.
- Outflows on development works were included in the line "Cash outflows on acquisition of property, plant and equipment and intangible assets".

Changes in equity movement tables:

- Aggregation of the items as described above in the equity of the Group.

Recognition of the Motivational (share-based) plan for the years 2021-2023/2024

IFRS 2 Share-based Payment requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in equity instruments of the entity.

In the three quarters of 2022, the Company recognised a share-based plan in line with IFRS 2. In case of CI Games, the vesting conditions are non-market: realisation of net profit of the Group and continues of the service. Therefore the fair value of the equity instruments is not adjusted to take into consideration non-market based performance features - these are instead taken into account by adjusting the number of equity instruments included in the measurement of the share-based payment transaction, and are adjusted each period until such time as the equity instruments vest.

An estimate is made of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied. The product of this estimate – i.e. grant-date fair value per equity instrument multiplied by the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied – is the estimate of the total share-based payment cost. This cost is recognized, as an expense is salaries costs, over the vesting period, with a corresponding entry in equity reserves. In the following quarters, the Company will review the estimated number of equity instruments and realisation of non-market performance conditions.

The fair value of the warrants has been determined by an independent certified actuary by applying numerical method "Finite Difference Method".

The table below presents the plan of amortisation of the cost of equity instruments over the vesting period assuming fulfilment of non-market conditions. The vesting period of entitlements is set from 1Q 2022 (grant date) to 3Q 2023 (expected date of program's realization).

Quarter	Cumulative cost (PLN'000)	Cost in the period (PLN'000)
2022 Q1	239	239
2022 Q2	764	526
2022 Q3	1,334	569
2022 Q4	1,903	569
2023 Q1	2,460	557
2023 Q2	3,023	563
2023 Q3	3,592	569

The disclosure in the financial statements is further described in the Section IV, point 25.

5. New standards and interpretations

New standards, changes in the binding standards and interpretations, approved by the European Union ("EU"):

- **Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases – Interest Rate Benchmark Reform – Phase 2** (effective for annual periods beginning on or after January 1st 2021).
- **Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors"**. The changes pertain to the definition of materiality applicable to annual periods starting on January 1, 2023 or thereafter.
- **Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions** (effective for annual periods beginning on or after June 1st 2021).
- **IFRS 17 "Insurance contracts"** with subsequent amendments to IFRS 17. The standard is applicable to annual periods starting on January 1, 2023 or thereafter.
- **Amendments to IFRS 4 Insurance Contracts, deferral of IFRS 9 Financial Instruments** (effective for annual periods beginning on or after January 1st 2023).
- **Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets**, amendments to various standards as part of IFRS Annual Improvements cycle 2018–2020 (effective for annual periods beginning on or after January 1st 2022).
- Changes with regard to references to **Conceptual Framework in IFRS** (applicable to annual periods starting on January 1, 2022 or thereafter).

New standards, amendments to existing standards and interpretations which have not been endorsed by the European Union:

- **IFRS 14 "Regulatory Deferral Accounts"** – the European Commission has decided not to commence the process of approval of this provisional standard to be used within the territory of the European Union until the date of publication of the final version of the proper full standard IFRS 14.
- **Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in Associates and Joint Ventures"** – Sales or contribution of assets between an investor and their associate or joint venture and subsequent amendments (the date of entry into force of these amendments has been postponed until completion of research work on the equity method).
- **Amendments to IAS 1 "Presentation of Financial Statements"**: classification of liabilities as current or non-current and classification of liabilities as current or non-current – deferral of effective date (effective for annual periods beginning on or after January 1st 2023)
- **Amendments to IAS 12 "Income tax"** – deferred tax related to Assets and liabilities arising from a single transaction (effective for annual periods beginning on or after January 1st 2023).

- **Amendments to IFRS 17 “Insurance contracts”.** Initial application of IFRS 17 and IFRS 9 **Financial instruments** – comparative information. The standard is applicable to annual periods starting on January 1, 2023 or thereafter.

The dates of entry into force, indicated above, are based on the content of standards announced by the Council for International Financial Reporting. The dates of entry into force of standards in the European Union may differ from dates of entry into force based on the content of the standards and are announced as the standard has been approved for application by the European Union. The Group has decided not to introduce early any of the standards, interpretations or amendments, listed above, which have been published but have not come into force. According to estimates of the Company, the standards, interpretations and amendments to standards listed above shall have no significant impact upon the financial statements of the Company and the Group.

6. Audit performed by statutory auditor

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

IV.

NOTES TO THE FINANCIAL STATEMENTS

1. Consolidated financial results

Profit and Loss Accounts	9M2022	9M2021
	PLN'000	PLN'000
Net revenue from sales	41,255	81,882
Gross profit on sales	29,442	49,751
<i>Sales margin (%)</i>	71.4%	60.8%
Selling costs	(10,743)	(13,296)
General and administrative costs	(12,180)	(5,449)
Other operating cost and income	(255)	353
Profit from operating activities	6,264	31,359
<i>Operating margin (%)</i>	15.2%	38.3%
Reported EBITDA	12,203	48,869
<i>EBITDA (%)</i>	29.6%	59.7%
Gross profit (loss)	9,656	33,584
<i>Gross profit (%)</i>	23.4%	41.0%
Net profit (loss)	9,479	27,219
<i>Net margin (%)</i>	23.0%	33.2%

In the first nine months of 2022 there was no new releases of the games, therefore revenues generated by the Group (PLN 41.3m) were lower compared to the revenues generated in the respective period of 2021 (PLN 81.9m). The game *Sniper Ghost Warrior Contracts 2*, which was released in June 2021, had a major impact on the Group's financial performance in 2021 and 2022 as well. This game continues to contribute significantly to the Group's revenues, accounting for 54% of consolidated revenues in the nine months period of 2022 (70% in 9M2021), while *Sniper Ghost Warrior Contracts* (released in November 2019) generated 16% revenues in this period (17% in 9M2021). Games from United Label S.A. portfolio contributed 13% to nine months sales of 2022 (2% in 9M2021).

Production costs consisted mainly of amortisation of development work on *Sniper Ghost Warrior Contracts 2* in 9M2022, while in the previous period they included both *Sniper Ghost Warrior Contracts 2* and *Sniper Ghost Warrior Contract* amortisation and higher cost of producing physical media.

Increase of Sales margin from 60.8% in 9M2021 to 71.4% in 9M022 is mainly attributable to lower proportion of cost of goods sold as % of sales (decline from 39.2% to 28.6%) which resulted from lower amortisation cost (finished amortisation of SGWC in September 2021 and the fact that unit amortisation of SGWC was higher compared to an unit amortisation cost of SGWC 2) and decrease cost of producing physical boxes.

In 9M2022 selling costs amounted to PLN 10.7m (compared to PLN 13.3m in 9M2021) and they included costs of marketing campaign of *The Lords of the Fallen*, which started in August 2022. An increase in G&A costs (PLN 12.2m in 9M2022 vs. PLN 5.4m in 9M2021) is the result of growing headcount and the related costs (including recruitment costs), and also costs incurred in connection with dual listing.

Operating profit in 9M2022 totalled PLN 6.3m and it was lower compared to the respective period of 2021 (PLN 31.4m) resulting from lower revenues (no new releases in 2022) and higher operating costs.

The Group posted a net profit of PLN 9.5m with a net profitability at 23.0% in 9M2022, compared to PLN 27.2m (margin 33.2%) in 9M2021.

Consolidated balance sheet

Balance sheet	as of 30.09.2022	as of 31.12.2021
	PLN'000	PLN'000
Non-current assets	140,269	90,767
Current assets	28,910	61,345
Total assets	169,179	152,112
Equity	142,287	135,109
Initial capital	1,829	1,829
Liabilities	26,892	17,003
Non-current liabilities	5,745	6,839
Current liabilities	21,147	10,164
Total equity and liabilities	169,179	152,112

The balance sheet of CI Games Group as of 30.09.2022 totalled PLN 169.2m and was up by 11% compared to the balance sheet total at the end of 2021. The main item behind this change was the rise in net book value of intangibles (by PLN 50.7m) which netted off decline in current assets (mainly cash and receivables).

As 30.09.2022, total liabilities & equity rose mainly as a result of an increase in own equity following generated profit.

Consolidated cash flow

Statement of cash flow	9M2022	9M2021
	PLN'000	PLN'000
Net cash flows from operating activities	28,541	47,984
Net cash flows from investing activities	(58,717)	(33,237)
Net cash flows from financing activities	3,369	(383)
Net cash flows	(26,807)	14,364

In 9M2022 operating cash flow totalled PLN 28.5m and was due mainly to the conversion of trade receivables into cash decreased by operating expenses.

In 9M2022 net cash flow from investing activities totalled PLN (58.7)m which related mostly to development expenses of *The Lords of the Fallen*, *Sniper Ghost Warrior Next*, *Project Survive* and acquisition of shares of United Label S.A. (PLN 3m).

Net cash flow from financing activities amounted to PLN 3.4m. This item consisted mainly of a utilising a loan draft facility and repayment of finance lease liability.

2. Key events in the Group in the period covered by the report and until the report publication date – a description of significant achievements or failures with a list of the key associated events

- On 17.08.2021, CI Games S.A. made a decision to initiate a review of strategic options for the Company. The purpose of the review of strategic options was to select the most favourable way of achieving the Company's long-term goal which is Company development based on the existing strategy of maximizing the value for current and future shareholders. In the course of the review of strategic options, the Company's Managing Board announced on the 02.03.2022 that it has appointed Joh. Berenberg, Gossler & Co. KG London Branch as the Company's Financial Adviser in relation to a potential dual listing on the London Stock Exchange.
- On 29.04.2022 CI Games concluded a loan agreement with PKO BP S.A. a multi-purpose loan facility in the amount up to PLN 29 mln. On 28.09.2022 the sublimit of the loan facility in the amount of EUR 2,100,000 was activated.
- CI Games S.A. announced on 17.05.2022 a tender offer to subscribe for the sale of 275,000 shares of United Label S.A. entitling to exercise 275,000 votes at the general meeting of United Label, which constitutes 21.57% of the share capital of United Label and 21.57% of the total number of votes at the general meeting of United Label. The price of United Label S.A. shares in the tender offer was set at PLN 18.04 per share. On 22.07.2022 the transaction of purchase of United Label S.A. shares was settled. After the settlement of the transaction for the purchase of the United Label's S.A. shares under the tender offer, the Company holds a total of 1,168,555 shares in the share capital of the United Label S.A., which constitutes 91.65% of the share capital of the United Label S.A and in the total number of votes at the general meeting of United Label.
- On 04.08.2022 the Company notified (current report no 19/2022) about intention to transfer the Company CI Games S.A. into an European Company ("EC"). In accordance with the first notification of its shareholders about intention to transfer into EC, the Company will be transferred from a Polish public limited company (public company of the Polish law) into European Company, subject to Polish law as the law of the state in which the Company will have its registered office after the transformation. Pursuant to Articles 552 of the Commercial Companies Code, the Converted Company (i.e. CI Games SE) will be entitled to all rights and obligations of the Company to be Converted (i.e. CI Games S.A.), and all assets and liabilities of the Company will become assets and liabilities of the Converted Company (upon continuation principle). The shareholders of the Company will automatically become shareholders of the Converted Company (i.e. EC). An important consequence of the transformation for the Company will be the change in the corporate governance model adopted in the Company: in accordance with the Company's transformation plan published on 04.08.2022, the existing dualistic corporate governance model in the Company, assuming the existence of the Management Board and Supervisory Board, is to be replaced by a monistic model, whose management functions, representation of the Company and permanent supervision over the Company's operations will be concentrated in one body - the Administrative Board. The Company notified shareholders twice about intention to transfer the Company (on 04.08.2022 and 19.08.2022). The Extraordinary General Meeting convened on 05.09.2022 did not adopt a resolution on the conversion of the Company into a European company (SE) pursuant to Art. 2 clause 4 and art. 37 of Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) and resolutions related to the transformation process, about which the Company informed in detail in the current report no.

26/2022, 28/2022 and 29/2022. On 12.09.2022 (current report no 31/2022) the Company informed that it continues the process of conversion into a European Company (SE), in accordance with the assumptions previously provided by the Company, referred to, among others, in the documents prepared for the purposes of conversion into an SE published by the Company so far.

- On 01.09.2022 (current report no. 24/2022) the Company has received a statement of resignation from the function of a member of the Supervisory Board made by Mr. Grzegorz Leszczyński submitted with effect on 05.09.2022, i.e. date of the Company's Extraordinary General Meeting. On 05.09.2022, the Extraordinary General Meeting of the Company has appointed Mr. Jeremy M.J. Lewis to the Company's Supervisory Board for a joint term of the Supervisory Board, entrusting him with the function of Supervisory Board Member. The Company presented the information about the Supervisory Board Member appointed – his education, qualifications and previous positions along with a description of the course of his professional career on 05.09.2022 in current report no. 27/2022.
- A global marketing campaign for *The Lords of the Fallen* game was launched on 23.08.2022. The premiere of the trailer announcing the title took place during Geoff Keighley's "Opening Night Live" at Gamescom - one of the most prestigious gaming events of the year. At the same time, a product card appeared on Steam, allowing the game to be added to Wishlist. The trailer repositioned the game as a reboot as opposed to a direct sequel to the original 2014 hit, which will allow it to reach a much wider audience.
- *The Lords of the Fallen* trailer generated a total of more than 22.4 million views on YouTube on 239 separate uploads and was among the most viewed trailers among the games shown at Gamescom on the official PlayStation channel and YouTube, among others. It received 29.5% of the votes on IGN's 'favorite Opening Night Live next-gen reveal' poll (over 6,000 votes). *The Lords of the Fallen* is on Steam's list of the 40 most-listed games on its wish list, also in the RPG titles category.
- On 24.10.2022, CI Games announced update of its strategy pillars for the years 2023-2027 with the addition of three new pillars - Project *Potential*, *Expand* and *Scorpio*. The overall aim is to reinforce the company's solid foundation, facilitate further brand development, fortify team development, and ensure an even stronger future with exponential financial growth.

3. Description of factors and events, particularly unusual, which have impact on the financial results achieved

Between January 1st and September 30th, 2022, no extraordinary events took place, which would exert impact on the Group's financial results achieved.

The Management Board of the Company is of opinion that the announced state of COVID-19 epidemic nor the war in Ukraine do not constitute events, which would enforce adjustments to the consolidated and unconsolidated financial statements for the third quarter of 2022. The Management Board is monitoring the situation on an ongoing basis and will take all possible steps to mitigate any negative consequences for the Group related to the epidemic and the war in Ukraine.

4. Explanations concerning the seasonal or cyclical nature of the Company's business

Due to different sources of revenue and the specific nature of the video games industry, CI Games Group is characterised by variability of its revenues in the course of the financial year determined primarily by the release of new products.

The production cycle of a single game developed by the Company typically ranges from 18 to 36 months. With the simultaneous development of two games, their release dates are subject to significant, uneven cyclicalities. Thus, the Company's publishing cycle, as part of which it sets the release dates of new games, is characterised by irregularity. The Company is timing the release dates of its games in order to select the most advantageous competitive environment, taking into consideration known publishing plans of competing entities so that the release generates the most measurable financial benefits.

Consequently, it is typical for game developers across the entire video games industry to record significantly higher revenues in the period directly following the release of a new game, followed by a natural decline in revenues in the following months. This obviously accounts for the effect of strong seasonality and cyclicity of business activities, well-recognized by the video games industry worldwide.

5. Information about operational segments

The basic segments of Group's activity are the production and sales of own games and publishing activity commenced in the second half of year 2018 by United Label S.A. In the years 2018-2020, the materiality levels were not met in accordance with IFRS 8, i.e. (i) revenues from the operational segment did not exceed 10% of joint revenues, including external clients and transfers between the segments, (ii) financial result of the segment, expressed in absolute values, did not account for at least 10% of sum of absolute results of all segments which posted no losses or the combined loss all operational segments which recorded losses, (iii) assets of the segment did not account for 10% or more of total assets of all operational segments; therefore the Group did not present results related to the publishing segment.

Starting from 2021, the revenues of the publishing segment related to United Label S.A., exceeded materiality level of 10% of joint revenues of publishing and remaining segments therefore the Group started to present operational segments.

The tables below present:

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

As of 30.09.2022

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

As of 30.09.2022

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

Consolidated P&L per segments for 9M 2022

CI GAMES GRUPA

UNITED LABEL

 Consolidation
eliminations

Total

Continuing operations

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

Consolidated P&L per segments for 3Q 2022

CI GAMES GRUPA

UNITED LABEL

 Consolidation
eliminations

Total

Continuing operations

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

As of 30.09.2021



PLN'000	CI GAMES GRUPA	UNITED LABEL	Consolidation eliminations	Total
A. Non-current assets	78,498	5,508	(3,816)	80,190
Property, plant and equipment	1,672	-	-	1,672
Intangible assets	67,015	5,447	(131)	72,331
Right-to-use asset	4,640	-	-	4,640
Shares in subsidiaries	100	-	(100)	-
Long term investments	3,585	-	(3,585)	-
Deferred tax asset	1,486	61	-	1,547
Long term receivables	-	-	-	-
B. Current assets	69,045	6,569	(5,533)	70,081
Inventory	2,814	-	-	2,814
Current investments	2,340	-	-	2,340
Trade and other receivables	22,513	5,792	(5,533)	22,772
Tax receivables	-	-	-	-
Cash and cash equivalents	41,378	777	-	42,155
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners	69,045	6,569	(5,533)	70,081
Non-current assets classified as held for sale or as held for distribution to owners	-	-	-	-
Total assets	147,543	12,077	(9,349)	150,271

As of 30.09.2021

PLN'000	CI GAMES GRUPA	UNITED LABEL	Consolidation eliminations	Total
A. EQUITY	118,045	5,843	(230)	123,658
Share capital	1,829	128	(128)	1,829
Share premium	74,484	4,169	-	78,653
Other reserve capital	16,303	-	-	16,303
Retained earnings	24,498	1,546	(130)	25,914
including profit for the period	23,701	2,758	(30)	26,429
Equity attributable to owners of the Parent	117,114	5,843	(258)	122,699
Equity attributable to non-controlling interests	931	-	28	959
B. LIABILITIES	29,498	6,234	(9,119)	26,613
Non-current liabilities	7,887	3,766	(3,585)	8,068
Loans, credit and other debt instruments	-	3,585	(3,585)	-
Finance lease liabilities	4,261	-	-	4,261
Deferred income tax provision	3,626	181	-	3,807
Current liabilities	21,611	2,468	(5,534)	18,545
Borrowings including credits, loans and other debt instruments	-	-	-	-
Income tax liabilities	1,937	246	-	2,183
Trade liabilities and other liabilities	14,343	2,221	(5,534)	11,030
Finance lease liabilities	687	-	-	687
Other current provisions	4,644	1	-	4,645
Current liabilities other than liabilities included in disposal groups classified as held for sale	21,611	2,468	(5,534)	18,545
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total equity and liabilities	147,543	12,077	(9,349)	150,271

Consolidated P&L per segments for 9M 2021

CI GAMES GRUPA

UNITED LABEL

 Consolidation
eliminations

Total

Continuing operations

Net revenue from sales	76,099	6,182	(399)	81,882
Costs of products, goods and services sold	(31,631)	(889)	389	(32,131)
Gross profit (loss) on sales	44,468	5,293	(10)	49,751
Other operating revenues	915	-	(8)	907
Selling costs	(11,907)	(1,389)	-	(13,296)
General and administrative costs	(5,006)	(443)	-	(5,449)
Other operating expenses	(579)	-	25	(554)
Impairment loss/impairment gain and reversal of impairment loss	-	-	-	-
Profit (loss) on operating activities	27,891	3,461	7	31,359
Financial revenues	2,494	-	(65)	2,429
Financial expenses	(179)	(53)	28	(204)
Profit (loss) before tax	30,206	3,408	(30)	33,584
Income tax	(5,715)	(650)	-	(6,365)
Profit (loss) on continuing operations	24,491	2,758	(30)	27,219
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
Net profit (loss)	24,491	2,758	(30)	27,219
- net profit (loss) attributable to equity owners of the Parent	23,701	2,758	(30)	26,429
- net profit (loss) attributable to non-controlling interest	790	-	-	790

Consolidated P&L per segments for 3Q2021

CI GAMES GRUPA

UNITED LABEL

 Consolidation
eliminations

Total

Continuing operations

Net revenue from sales	27,531	5,526	(399)	32,658
Costs of products, goods and services sold	(11,421)	(726)	385	(11,762)
Gross profit (loss) on sales	16,110	4,800	(14)	20,896
Other operating revenues	22	-	(5)	17
Selling costs	(3,167)	(1,066)	-	(4,233)
General and administrative costs	(1,883)	(245)	(3)	(2,131)
Other operating expenses	(530)	-	24	(506)
Impairment loss/impairment gain and reversal of impairment loss	-	-	-	-
Profit (loss) on operating activities	10,552	3,489	2	14,043
Financial revenues	2,044	-	(20)	2,024
Financial expenses	(107)	(24)	10	(121)
Profit (loss) before tax	12,489	3,465	(8)	15,946
Income tax	(1,650)	(659)	-	(2,309)
Profit (loss) on continuing operations	10,839	2,806	(8)	13,637
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
Net profit (loss)	10,839	2,806	(8)	13,637
- net profit (loss) attributable to equity owners of the Parent	10,039	2,806	(8)	12,837
- net profit (loss) attributable to non-controlling interest	800	-	-	800

As of 31.12.2021

PLN'000	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
A. Non-current assets	85,605	5,471	(309)	90,767
Property, plant and equipment	1,774	-	-	1,774
Intangible assets	75,844	5,234	(119)	80,959
Right-to-use asset	4,391	-	-	4,391
Shares in subsidiaries	100	-	(100)	-
Long term investments	-	-	-	-
Deferred tax asset	3,496	237	(90)	3,643
Long term receivables	-	-	-	-
B. Current assets	59,101	3,893	(1,649)	61,345
Inventory	2,614	-	-	2,614
Current investments	61	-	-	61
Trade and other receivables	15,331	3,558	(1,649)	17,240
Tax receivables	3,277	310	-	3,587
Cash and cash equivalents	37,818	25	-	37,843
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners	59,101	3,893	(1,649)	61,345
Non-current assets classified as held for sale or as held for distribution to owners	-	-	-	-
Total assets	144,706	9,364	(1,958)	152,112

As of 31.12.2021

PLN'000	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
A. EQUITY	127,750	7,578	(219)	135,109
Share capital	1,829	128	(128)	1,829
Share premium	74,484	4,169	-	78,653
Other reserve capital	16,629	-	-	16,629
Retained earnings	33,132	3,281	(119)	36,294
including profit for the period	32,333	4,493	(18)	36,808
Equity attributable to owners of the Parent	126,074	7,578	(247)	133,405
Equity attributable to non-controlling interests	1,676	-	28	1,704
B. LIABILITIES	16,956	1,786	(1,739)	17,003
Non-current liabilities	6,927	2	(90)	6,839
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	3,925	-	-	3,925
Deferred income tax provision	3,002	2	(90)	2,914
Current liabilities	10,029	1,784	(1,649)	10,164
Borrowings including credits, loans and other debt instruments	13	-	-	13
Income tax liabilities	41	-	-	41
Trade liabilities and other liabilities	5,368	1,253	(1,649)	4,972
Finance lease liabilities	955	-	-	955
Other current provisions	3,652	531	-	4,183
Current liabilities other than liabilities included in disposal groups classified as held for sale	10,029	1,784	(1,649)	10,164
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total equity and liabilities	144,706	9,364	(1,958)	152,112

PLN'000	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
Continuing operations				
Net revenue from sales	96,272	10,856	(1,600)	105,528
Costs of products, goods and services sold	(38,630)	(2,340)	1,368	(39,602)
Gross profit (loss) on sales	57,642	8,516	(232)	65,926
Other operating revenues	1,247	-	(8)	1,239
Selling costs	(14,414)	(2,164)	228	(16,350)
General and administrative costs	(7,088)	(645)	-	(7,733)
Other operating expenses	(2,841)	-	31	(2,810)
Impairment loss/impairment gain and reversal of impairment loss	(5)	-	-	(5)
Profit (loss) on operating activities	34,541	5,707	19	40,267
Financial revenues	2,873	-	(90)	2,783
Financial expenses	(190)	(94)	53	(231)
Profit (loss) before tax	37,224	5,613	(18)	42,819
Income tax	(3,356)	(1,120)	-	(4,476)
Profit (loss) on continuing operations	33,868	4,493	(18)	38,343
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
Net profit (loss)	33,868	4,493	(18)	38,343
- net profit (loss) attributable to equity owners of the Parent	32,333	4,493	(18)	36,808
- net profit (loss) attributable to non-controlling interest	1,535	-	-	1,535

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

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

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

CHANGE OF REVALUATION INVENTORIES

	PLN'000
Balance as of 01.01.2022	573
Increases, including:	184
- impairment of inventory	184
Decreases, including:	-
- release of the impairment (write-offs)	-
Balance as of 30.09.2022	757

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

CHANGE OF REVALUATION RECEIVABLES

	PLN'000
Balance as of 01.01.2022	260
Increases, including:	38
- impairment of receivables	38
Decreases, including:	-
- release of the impairment (write-offs)	(4)
Balance as of 30.09.2022	294

As of 30.09.2022, there were no impairment losses on financial assets, property, plant and equipment, intangible assets and no reversals of such write-offs.

9. Financial instruments

CI Games entered into currency forward contracts to hedge against foreign currency changes. These instruments are classified as financial assets measured at fair value through profit or loss (Level 2 in the fair value hierarchy).

Based on the fair value measurement methods applied, the Group classifies its individual financial assets and liabilities according to the following levels (fair value hierarchy):

Level 1: Financial assets and liabilities whose fair values are measured directly on the basis of quoted prices (used without adjustment) from active markets for identical assets or liabilities.

Level 2: Financial assets and liabilities whose fair values are measured using measurement models when all significant input data is observable on the market either directly (unadjusted market prices) or indirectly (data based on market prices).

Level 3: Financial assets and liabilities whose fair values are measured using measurement models when the input data is not based on observable market data (unobservable input data).

Financial instruments at fair value through profit or loss	as of 30.09.2022 PLN'000	as of 30.06.2022 PLN'000	as of 31.12.2021 PLN'000	as of 30.09.2021 PLN'000
Forward contracts - USD	(393)	-	(104)	(106)

10. Information about changes in the provisions

MOVEMENTS IN PROVISIONS	Unused holidays provision PLN'000	Other provisions PLN'000
Balance as of 01.01.2022	174	4,010
Creation of the provision	161	4,176
Utilisation of the provision	177	5,000
Release of the provision	-	-
Balance as of 30.09.2022	158	3,186

11. Income Tax

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

- A current tax charge is calculated on the basis of the tax result (taxation basis) for a given financial year. Tax profit (loss) differs from net accounting profit (loss) due to exclusion of revenues subject to taxation and expenses constituting costs of earning profit in the subsequent years and those revenue and expense items, which will never be subject to taxation. Tax charges are calculated on the basis of tax rates applicable in a given financial year. As of 30.09.2022 the current tax CIT amounted to PLN 185 thousand – its low level is connected with utilization of tax losses in United Label S.A. and CI Games S.A.
- Deferred tax is calculated using the balance sheet method as tax to be paid or returned in the future on differences between the balance sheet value of assets and liabilities and the corresponding tax values used for calculation of taxation basis.

INCOME TAX	for the period from 1.01 to 30.09.2022 PLN'000	for the period from 1.07 to 30.09.2022 PLN'000	for the period from 1.01 to 30.09.2021 PLN'000	for the period from 1.07 to 30.09.2021 PLN'000
Gross profit (loss)	9,656	(3,865)	33,584	15,946
Current income tax	185	(190)	(3,180)	(3,169)
Change of estimates	-	-	-	-
Deferred tax:	(362)	190	(3,185)	860
Decrease/increase in the deferred tax asset	(733)	162	(1,684)	343
Decrease/increase the provision for deferred tax	371	28	(1,501)	517
Total income tax	(177)	-	(6,365)	(2,309)
Net profit (loss)	9,479	(3,865)	27,219	13,637

As of 30.09.2022 deferred tax of PLN 362 thousand comprised of the following items:

- reduction (in the period from 01.01.2022 to 30.09.2022) of the deferred tax asset balance by the amount of PLN 733 thousand mainly due to utilization of tax losses from previous years and non taxable provisions for costs; and
- decrease (in the period from 01.01.2022 to 30.09.2022) of the deferred tax provision balance by the amount of PLN 371 thousand, resulting mainly from positive foreign exchange differences, which netted off decreasing difference between the tax and book value of development works.

Calculation of deferred tax assets and liabilities has been presented in the following point below.

12. Deferred tax asset and liability

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

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

DEFERRED TAX	as of 30.09.2022 PLN'000	as of 30.06.2022 PLN'000	as of 31.12.2021 PLN'000	as of 30.09.2021 PLN'000
Deferred tax assets				
Opening value	3,643	3,643	3,229	3,229
Including assets compared to the financial result	(3,643)	(3,643)	(3,229)	(3,229)
Increases recognised in financial result	2,873	2,748	3,643	1,547
Cost provision	588	733	735	829
Receivables valuation allowances	-	-	-	-
Provision for returns	224	228	292	610
Inventory impairment	-	-	-	-
Exchange differences	3	9	61	51
Tax losses	1,586	1,489	2,434	22
Difference between the balance-sheet and tax value	144	144	121	33
Equity instruments valuation	253	145	-	-
Other	75	-	-	2
Decreases compared to the financial result	(3,643)	(3,643)	(3,229)	(3,229)
Closing value	2,873	2,748	3,643	1,547
Deferred tax provisions				
Opening value	2,914	2,914	2,306	2,306
Including assets compared to the financial result	(2,914)	(2,914)	(2,306)	(2,306)
Increases compared to the financial result	2,543	2,571	2,914	3,807
Provision for returns	-	-	-	-
Provision for revenues	-	-	-	-
Exchange differences	511	433	317	325
Difference between the balance-sheet and tax value of tangible fixed assets	2,032	2,138	2,597	3,301
Other	-	-	-	181
Decreases compared to the result	(2,914)	(2,914)	(2,306)	(2,306)
Closing value	2,543	2,571	2,914	3,807

13. Share capital of Dominant entity

As of 30.09.2022, share capital comprised of nine series of shares issued at the following terms:

SHARE SERIES	NOMINAL VALUE (PLN)	NOMINAL VALUE (PLN)	REGISTRATION
A - ordinary bearer / paid	100,000,000	1,000	01.06.2007
B - ordinary bearer / paid	400,000	4	10.08.2008
C - ordinary bearer / paid	25,000,000	250	17.12.2008
D - ordinary bearer / paid	1,100,000	11	09.10.2009
E - ordinary bearer / paid	12,649,990	126	09.01.2014
G - ordinary bearer / paid	11,000,000	110	06.12.2016
F - ordinary bearer / paid	960,000	10	30.11.2017
H - ordinary bearer / paid	10,833,025	108	09.08.2019
I - ordinary bearer / paid	21,000,000	210	21.09.2020
TOTAL	182,943,015	1,829	

14. Share premium account of the Dominant entity

SHARE SERIES	NUMBER	SURPLUS
B - ordinary bearer / paid	400,000	36
C - ordinary bearer / paid	25,000,000	22,250
D - ordinary bearer / paid	1,100,000	99
E - ordinary bearer / paid	12,649,990	11,259
G - ordinary bearer / paid	11,000,000	24,860
F - ordinary bearer / paid	960,000	663
H - ordinary bearer / paid	10,833,025	9,641
I - ordinary bearer / paid	21,000,000	24,990
TOTAL	82,943,015	93,798
Decrease due to costs of issue of series C		(1,829)
Decrease due to costs of issue of series E		(285)
Transfer to reserve capital		(16,000)
Decrease due to costs of issue of series G		(416)
Decrease due to costs of issue of series F		(49)
Decrease due to costs of issue of series H		(470)
Decrease due to costs of issue of series I		(265)
As of 30.09.2022		74,484

15. Information on material transactions to purchase or sell tangible assets

In the third quarter of 2022, there were no material transactions involving the purchase or sale of tangible assets.

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

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

17. Information on significant settlements due to court cases

In the third quarter of 2022, there were no significant settlements due to court cases.

18. Information on the failure to repay credits or loans or breaches of significant terms and conditions of any loan or credit agreements with regard to which no remedial action had been taken until the end of the reporting period

As of 30.09.2022, there was no breachers of significant terms and conditions of the loan concluded with PKO BP. S.A.

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

In the third quarter of 2022, no changes took place in classification of financial assets due to a change in the purpose or use of these assets.

20. Information on significant settlements due to court cases

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

In the Annual Report published on 27.03.2020, the Company has disclosed the initiation of court proceedings on October 17, 2019 against EP Retail sp. z o.o., EP Office 2 sp. z o.o., EP Office 1 sp. z o.o. and EP Apartments sp. z o.o. CI Games S.A. filed a suit at the District Court in Warsaw against these entities due to the unlawful drawing of funds from a bank guarantee, overpaid operating costs and overpaid rent. The total value of the object of litigation is PLN 883 thousands. As of the report publication date, the case remains pending.

21. Information on changes in conditional liabilities or conditional assets that took place since the end of the financial year

As of 30.09.2022 r. Dominant entity had the following contingent liabilities:

- On 29.04.2022 CI Games S.A. signed a loan agreement with PKO BP S.A. A. a multi-purpose loan facility in the amount up to PLN 29 mln. The loan was granted for the period from 29.04.2022 to 31.12.2023. The loan can be drawn in EUR or/and PLN depending on the Company's disposal. The interest on the loan is set up at WIBOR 1M for loan in PLN and EURIBOR 1M for loan in EUR increased by the bank's margin. On 22.06.2022 the Company established below mentioned loan's collaterals:
 - the guarantee issued by Bank Gospodarstwa Krajowego up to PLN 23.2 mln and a blank promissory note issued for the benefit of Bank Gospodarstwa Krajowego;
 - a notarized declaration of submission to enforcement up to PLN 49.3mln in accordance with art. 777 §1, point 5 of Commercial Civil Code.
- On 27.07.2022, the Company purchased seven forward contracts for sales of USD 2.1 million at an exchange rate of PLN/USD 4.8110 with an execution period September 2022 – March 2023.

As of the date of this report, the Group did not have any other contingent liabilities.

22. Information on credit or loan sureties or warranties made by the Issuer or by any of its subsidiaries – in total, to a single entity or a subsidiary of this entity, if the total value of the existing sureties or warranties represents the equivalent of at least 10% of Company's equity

In the third quarter of 2022, neither the Company nor any of its subsidiaries granted any loans or credit sureties or warranties for the amount equivalent to at least 10% of the Company's equity.

23. Information on issue, redemption and repayment of non-equity and equity securities

In the third quarter of 2022, as well as until the date of publication of this report, no issue, redemption or repayment of non-equity and equity securities took place.

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

In the point below, there is a description of the motivational program based on shares series J executed as series C subscription warrants. As the result of the implementation of this program, the proportion of the shareholding structure owned by current shareholders may change.

25. Information on employee share plan control system

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

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

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

In the event one of these targets is achieved, entitled persons will be granted a total of no more than 13,720,726 (thirteen million seven hundred and twenty thousand seven hundred and twenty six) series C subscription warrants with the right to take up 13,720,726 (thirteen million seven hundred and twenty thousand seven hundred and twenty six) ordinary series J bearer shares. However, in the event where one of these targets is exceeded by every additional and consecutive PLN 5,000,000 (five million zloty), the number of warrants granted in connection with the execution of the related goal of the program will be increased by 0.5 percentage points, with the provision that such number may not exceed 7.5% of the total number of Company's shares upon the date of adoption of its incentive program, i.e. 22.06.2021. As a result of the execution of this incentive program, entitled persons serving as the Company's Management Board Members may be granted no more than 50% of the warrants, of which a maximum of 30% of all warrants may be granted to the Company's President of the Management Board/Chief Executive Officer.

The Company's Managing Board designated persons, who participate in the incentive program and with respect to Members of the Issuer's Managing Board, such persons were designated by the Company's Supervisory Board. Shares issued as part of the incentive program will be taken up by entitled program participants upon execution of rights arising from subscription warrants series C. Subscription warrants will be taken up free of charge while J series shares will be taken up at an issuing price of PLN 1.26 per share. The issuing price has been set up as weighted average of the shares' price

on the regulated market, on which the shares of the Company has been quoted in the first quarter of 2021 decreased by 10% i.e. PLN 1.26. Regulations of this incentive program were adopted by the Company's Ordinary General Meeting with the resolution no. 19/1/2021 dated 22.06.2021.

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

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

The incentive program referred to above was adopted for the years 2021–2024.

The accounting policy related to recognition of this share-based plan is described in Section III, point 4.

In the first quarter of 2022, the Company concluded agreements for participation in the motivational program with selected persons by the Board and with Board members designed by the Supervisory Board. As of 30.09.2022 5,905,000 entitlements (adjusted by the leavers) have been granted under this program and its recognition on the financial statement in the first three quarters of 2022 was as follows:

Share-based program	01.01.2022- 30.09.2022
	PLN'000
Costs of products sold	538
Selling costs	151
General and administration costs	645
Operating costs	1,334
	as of 30.09.2022
Reserve capital - cost of incentive program	1,334

26. Note on the impact of changes in the structure of the business entity, including as a result of merger of business entities, takeover or sale of entities which are part of the group, long-term investment, demerger, restructuring and cessation of operations

In the third quarter of year 2022, the structure of the CI Games Capital Group did not change.

On 17.05.2022 the CI Games S.A. announced a tender offer to subscribe for the sale of 275,000 shares of United Label S.A. entitling to exercise 275,000 votes at the general meeting of United Label, which constitutes 21.57% of the share capital of United Label and 21.57% of the total number of votes at the general meeting of United Label. As the result of announced tender offer, CI Games increased its shareholdings in United Label to 91.65%.

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

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

28. Transactions with related parties

In the three quarters of the 2022, transactions were executed with related entities on the basis of market conditions, and in the opinion of the Management Board of the Company, they were typical and routine-based transactions.

Transactions for the period from 01.01. to 30.09.2022 and balances as of 30.09.2022	COSTS*	REVENUES	RECEIVABLES	LOAN (RECEIVABLES)	LIABILITIES
Entity	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
CI Games USA Inc.	100	2,509	9,335	-	-
Business Area Sp. z o.o.	-	1	-	-	-
Business Area Sp. z o.o. Sp.J.	-	(163)	-	-	1,029
CI Games S.A. Sp. J.	-	1	-	-	191
United Label S.A.	4,013	472	124	-	2,545
CI Games UK Limited	4,308	-	3,701	-	-
CI Games BUCHAREST STUDIO SRL	278	-	-	65	36
CI Games Mediterranean Projects	34,550	113	-	4,445	12,304
TOTAL	43,249	2,933	13,160	4,510	16,105

*including capitalised costs

On 15.12.2020, CI Games S.A. concluded a loan agreement with its subsidiary CI Games Mediterranean Projects S.L. for the amount of EUR 950 thousand. The term of the loan is no longer than 5 years. The loan interest rate is equal to 4%. Annex to this loan agreement was signed on 17.03.2021, increasing the loan limit to EUR 1,650 thousand. Second Annex (dated 24.05.2021) increased the loan limit to EUR 3 million. As of 30.09.2022, the loan balance amounted to PLN 4,445 thousand (capital and interest).

On 29.09.2020, CI Games S.A. concluded a loan agreement with its subsidiary CI Games Bucharest Studio S.R.L. for the amount of EUR 170 thousand. The deadline for full repayment of the loan was 30.04.2021. The loan interest rate was equal to EURIBOR 3M base rate increased by a margin. Annex

to this loan agreement was signed on 22.03.2021, increasing the loan limit to EUR 400 thousand and extending the repayment date until 31.12.2021. As of 30.09.2022, the loan balance amounted to PLN 65 thousand (interest).

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

Transactions for the period from Entity	COSTS PLN thousand	REVENUES PLN thousand	RECEIVABLES PLN thousand	LIABILITIES PLN thousand
Fine Dining Sp. z o.o.	4	-	165	-
TOTAL	4	-	165	-

Transactions of the Issuer with entities related personally to Management Board and Members of the Supervisory Board of the Parent Entity:

Transactions for the period from Entity	COSTS PLN thousand	REVENUES PLN thousand	RECEIVABLES PLN thousand	LIABILITIES PLN thousand
Marek Tymiński	45	-	-	5
Niewińska Katarzyna	23	-	-	2
TOTAL	68	-	-	7

29. Information or paid (or declared) dividends, in total and per share, divided by ordinary and preferred shares

The Company did not pay dividends in 2022. The Ordinary General Meeting of Shareholders dated 05.07.2022 passed a resolution to allocate profit earned in 2021 in the amount of PLN 33,320,157.52 in the following way: amount of PLN 33,320,157.52 (in words: thirty three million three hundred and twenty thousand one hundred and fifty-seven 52/100) to the Company's supplementary capital.

30. Other information, which, in the opinion of the Management Board of the Company, is material for the assessment of its employment, assets, financial situation, financial result and any changes to the above and information which is significant for the assessment of the Company's to fulfil its obligations in the reporting period

In the third quarter of the year 2022, no events occurred, which would exert a negative impact on assessment of capability of the Parent Entity and the Capital Group to settle their liabilities. The Groups plans to finance games' production from operating activity and a loan facility.

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

The Management Board has not published forecasts of the financial results of CI Games Capital Group nor CI Games S.A. in 2022.

32. Events and factors that occurred after the date of the nine-months financial statements not included in this report, which could nonetheless exert material impact on the Company's future financial results

- On 24.10.2022 the Group announced its update of strategic pillars for the years 2023-2027, which realization would have impact on the future financial results (discussed in Chapter IV, point 2).

33. Information about impact of pandemic COVID-19 on the financial statements of the Group

The impact of COVID-19 pandemic outbreak had no material impact on the Group's Financial Statement in the course of the reporting period.

34. Information about impact of war in Ukraine on the financial statements of the Group

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

35. Events and factors which could impact the future financial results in the following or subsequent quarters

- The Group will continue to focus on back catalogue sales including *Sniper Ghost Warrior Contracts 2*, and United Label portfolio (*RÖKI, Eldest Souls, Tails of Iron*) with the large majority of sales being generated from digital distribution channels.
- The Group makes most of its revenue from sales in foreign currencies (mainly EUR and USD), and therefore currency exchange rates will impact the financial results of the Group in the future.
- The Group is in development of 4 key multi-platform games. The *Lords of the Fallen*, *Project Scorpio*, *Sniper Ghost Warrior Next* are all produced by internal development studios supported with external subcontractors. *Project Survive* is being produced by the external studio *BatFields s.r.o.* and is managed by dedicated full time directors team employed by CI Games. The Group has also identified two further new projects (*Project Potential* and *Project Expand*).
- The Company will continue to receive support from *Drake Star Securities LLC* in the process of reviewing strategic options, including in particular in the negotiations and selection of a strategic sector investor, about what the Company informed in current report no 20/2021 on 17.08.2021. As of the date of this report, no decisions were made relating to selection of a specific strategic investor and furthermore, there is no certainty whether and when any such decision will be made in the future
- The Group will pursue a UK listing on LSE to further grow the value of the Company and open investment opportunities to a larger international investment pool.
- The Group will further look to expand its product portfolio both as CI Games and United Label publishing labels. The Group has been working on several internally created game concepts that some of them may be green lighted to a full commercial production and publishing. The

group has been as well in ongoing publishing discussions with various development studios across the globe.

SELECTED FINANCIAL INFORMATION

Profit and Loss Accounts	for the period from 1.01 to 30.09.2022		for the period from 1.01 to 30.09.2021	
	PLN'000	EUR'000	PLN'000	EUR'000
Net revenue from sales	36,363	7,757	74,481	16,339
Profit (loss) from operating activities	6,537	1,394	27,383	6,007
Gross profit (loss)	9,761	2,082	30,028	6,587
Net profit (loss)	9,342	1,993	24,348	5,341
Weighted average number of shares (in thousands)	182,943	182,943	182,943	182,943
Profit (loss) per ordinary share (PLN/share)	0.05	0.01	0.13	0.03

Statement of cash flow	for the period from 1.01 to 30.09.2022		for the period from 1.01 to 30.09.2021	
	PLN'000	EUR'000	PLN'000	EUR'000
Net cash flows from operating activities	38,897	8,297	56,512	12,397
Net cash flows from investing activities	(55,822)	(11,907)	(46,367)	(10,172)
Net cash flows from financing activities	3,369	719	(383)	(84)
Net cash flows	(13,556)	(2,892)	9,762	2,141

Balance sheet	as of 30.09.2022		as of 31.12.2021	
	PLN'000	EUR'000	PLN'000	EUR'000
Non-current assets	148,542	30,503	97,693	21,240
Current assets	30,376	6,238	59,028	12,834
Total assets	178,918	36,740	156,721	34,074
Equity	141,759	29,110	131,083	28,500
Initial capital	1,829	376	1,829	398
Liabilities	37,159	7,630	25,638	5,574
Non-current liabilities	5,742	1,179	6,927	1,506
Current liabilities	31,417	6,451	18,711	4,068
Total equity and liabilities	178,918	36,740	156,721	34,074

STATEMENT OF FINANCIAL CONDITIONS

ASSETS	as of 30.09.2022	as of 30.06.2022	as of 31.12.2021	as of 30.09.2022
	PLN'000	PLN'000	PLN'000	PLN'000
A. Non-current assets	148,542	125,170	97,693	99,568
Property, plant and equipment	1,556	1,612	1,746	1,671
Intangible assets other than goodwill	129,551	109,668	77,971	67,788
Right-to-use asset	3,646	3,894	4,391	4,640
Other non current financial assets	7,557	4,516	4,516	4,516
Long term investments	4,445	4,234	6,387	19,194
Deferred tax asset	1,312	1,246	2,682	1,759
Long term receivables	475	-	-	-
B. Current assets	30,376	45,490	59,028	71,648
Inventories	1,898	2,131	2,614	2,814
Current investments	-	63	61	2,340
Trade receivables and other receivables	21,661	31,982	37,267	41,491
Current tax asset	4,532	4,394	3,277	-
Cash and cash equivalents	2,285	6,920	15,809	25,003
Current assets other than assets or deposal classified as held for sales or as held for distribution to owners	30,376	45,490	59,028	71,648
Non-current assets classified as held for sale or as held for distribution to owners	-	-	-	-
Total assets	178,918	170,660	156,721	171,216
LIABILITIES & EQUITY				
	as of 30.09.2022	as of 30.06.2022	as of 31.12.2021	as of 30.09.2022
	PLN'000	PLN'001	PLN'000	PLN'000
A. EQUITY	141,759	144,792	131,083	122,111
Share capital	1,829	1,829	1,829	1,829
Share premium	74,484	74,484	74,484	74,484
Reserve capital for the acquisition of shares	17,334	16,764	16,000	16,000
Retained earnings	48,112	51,715	38,770	29,798
including profit for the period	9,342	12,945	33,320	24,348
B. LIABILITIES	37,159	25,868	25,638	49,105
Non-current liabilities	5,742	5,952	6,927	7,887
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	3,202	3,383	3,925	4,261
Deferred income tax provision	2,540	2,569	3,002	3,626
Current liabilities	31,417	19,916	18,711	41,218
Borrowings including credits, loans and other debt instruments	4,305	-	13	-
Income tax liabilities	-	-	-	1,937
Trade liabilities and other liabilities	23,350	15,579	14,395	34,228
Finance lease liabilities	1,276	1,237	955	687
Current provisions	2,486	3,100	3,348	4,366
Current liabilities other than liabilities included in disposal groups classified as held for sale	31,417	19,916	18,711	41,218
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total equity and liabilities	178,918	170,660	156,721	171,216

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

Statement of comprehensive income	for the period from 1.01 to 30.09.2022	for the period from 1.07 to 30.09.2022	for the period from 1.01 to 30.09.2021	for the period from 1.07 to 30.09.2021
	PLN'000	PLN'000	PLN'000	PLN'000
Continuing operations				
Net revenue from sales	36,363	9,339	74,481	26,809
Costs of products, goods and services sold	(8,547)	(2,882)	(31,607)	(11,403)
Gross profit (loss) on sales	27,816	6,457	42,874	15,406
Other operating revenues	129	82	925	26
Selling costs	(9,531)	(6,497)	(10,863)	(6,328)
General and administrative costs	(11,540)	(4,502)	(4,971)	(1,871)
Other operating expenses	(341)	(89)	(582)	(533)
Impairment loss/impairment gain and reversal of impairment loss	4	-	-	-
Profit (loss) on operating activities	6,537	(4,549)	27,383	6,700
Financial revenues	3,762	1,167	2,824	2,048
Financial expenses	(538)	(366)	(179)	(107)
Profit (loss) before tax	9,761	(3,748)	30,028	8,641
Income tax	(419)	145	(5,680)	(1,639)
Profit (loss) on continuing operations	9,342	(3,603)	24,348	7,002
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
Net profit (loss)	9,342	(3,603)	24,348	7,002
Total other comprehensive income including:				
Total income for the financial year	9,342	(3,603)	24,348	7,002
Weighted average number of ordinary shares (thousands)	182,943	182,943	182,943	182,943
Diluted number of shares (thousands)	185,836	185,836	182,943	182,943
Basic Earnings per share (PLN)	0.05	(0.02)	0.13	0.04
Diluted Earnings per share (PLN)	0.05	(0.02)	0.13	0.04

CASH FLOW STATEMENT

(indirect method)

	for the period from 1.01 to 30.09.2022	for the period from 1.07 to 30.09.2022	for the period from 1.01 to 30.09.2021	for the period from 1.07 to 30.09.2021
	PLN'000	PLN'000	PLN'000	PLN'000
Cash flows from operating activities				
Gross profit (loss)	9,761	(3,748)	30,028	8,641
Total adjustments	29,399	18,854	27,481	40,770
Depreciation and amortisation	4,468	1,148	17,202	5,117
Impairment loss (reversal)	180	52	-	-
Profit (loss) on foreign exchange differences	32	(178)	264	245
Correction of financial income (cost)	111	29	(327)	(160)
Profit (loss) on investment activity	(45)	(45)	-	-
Change in receivables	14,431	9,822	(22,076)	4,034
Change in inventory	532	181	(1,233)	(336)
Change in trade and other payables	9,218	7,890	29,865	30,082
Change in provisions	472	(45)	3,786	1,788
Other adjustments	-	-	-	-
Net cash flows from operating activities	39,160	15,106	57,509	49,411
Paid corporate income tax (return) related to operating activity	(263)	(117)	(997)	(997)
Net cash flows from operating activities (used in the operating activity)	38,897	14,989	56,512	48,414
Cash flows from investing activities				
Repayment of loans granted	2,284	-	1,262	21
Cash inflows on disposal of property, plant and equipment and intangible assets	53	53	-	-
Cash outflows on acquisition of property, plant and equipment and intangible assets	(55,118)	(20,734)	(33,351)	(24,217)
Cash outflows on acquisition of financial assets	(3,041)	(3,041)	-	-
Cash outflows on loans granted	-	-	(14,278)	(6,370)
Net cash from investing activities	(55,822)	(23,722)	(46,367)	(30,566)
Cash flows from financing activities				
Net proceeds from the issue of shares	-	-	-	-
Inflows from borrowings	-	-	-	-
Repayment of borrowings	4,292	4,305	(33)	(1)
Repayment of finance lease liabilities	(699)	(346)	(333)	(43)
Interest	(58)	(30)	(17)	(1)
Other financial inflows (outflows) related to financial activity	(166)	(38)	-	-
Net cash from financing activities	3,369	3,891	(383)	(45)
Total net cash flows	(13,556)	(4,842)	9,762	17,803
Exchange differences on cash and cash equivalents	32	207	(417)	(365)
Balance sheet changes in cash and cash equivalents	(13,524)	(4,635)	9,345	17,438
Cash and cash equivalents at the beginning of the period	15,809	6,920	15,658	7,565
Cash and cash equivalents at the end of the period	2,285	2,285	25,003	25,003

CHANGES IN EQUITY

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

For the period from 01.01. to 31.12.2021	Share capital	Share premium	Other reserve capiatl	Retained earnings	Equity
PLN'000					
As of 01.01.2021	1,829	74,484	16,000	5,450	97,763
As of 01.01.2021, upon conversion	1,829	74,484	16,000	5,450	97,763
Profit (loss) for the period	-	-	-	33,320	33,320
Incentive program costs	-	-	-	-	-
Increase (decrease) as the result of other changes in equity	-	-	-	-	-
Issue of shares	-	-	-	-	-
Changes in equity	-	-	-	33,320	33,320
As of 31.12.2021	1,829	74,484	16,000	38,770	131,083

For the period from 01.01. to 30.09.2021	Share capital	Share premium	Other reserve capiatl	Retained earnings	Equity
PLN'000					
As of 01.01.2021	1,829	74,484	16,000	5,450	97,763
As of 01.01.2021, upon conversion	1,829	74,484	16,000	5,450	97,763
Profit (loss) for the period	-	-	-	24,348	24,348
Incentive program costs	-	-	-	-	-
Increase (decrease) as the result of other changes in equity	-	-	-	-	-
Issue of shares	-	-	-	-	-
Changes in equity	-	-	-	24,348	24,348
As of 31.12.2021	1,829	74,484	16,000	29,798	122,111

All the mid-year financial information essential for the assessment of the Issuer's assets and financial position were included in the abridged consolidated financial statement for nine months period ended 30 September 2022.

The following abridged mid-year financial statement of the Company, prepared as of 30.09.2022, should be read in conjunction with CI Games S.A. financial statement for December 31, 2021, published on 08.04.2022.

Approval of the quarterly Financial Statement

The following quarterly report has been approved for release by Management Board of CI Games S.A. on 23.11.2022.


Management Board of CI Games S.A.

Marek Tymiński

CEO, President of the Management Board

David Broderick

CFO, Vice President of the Management Board



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