



CI GAMES CAPITAL GROUP

Semi-annual consolidated and standalone Financial Statements of CI Games Capital Group

for the period from 1 January to 30 June 2021

Warsaw, September 1, 2021

Key financial highlights of the Group

	PLN'000		EUR'000	
	6M2021	6M2020	6M2021	6M2020
Net revenue from sales	49,224	27,037	10,825	6,088
Operating profit	17,316	5,174	3,808	1,165
<i>EBIT margin (%)</i>	35.2%	19.1%	35.2%	19.1%
EBITDA	29,559	16,704	6,501	3,761
<i>EBITDA margin (%)</i>	60.0%	61.8%	60.0%	61.8%
Net profit	13,582	4,740	2,987	1,067
<i>Net profit margin (%)</i>	27.6%	17.5%	27.6%	17.5%
Weighted average no of shares (thousands)	182,943	161,943	182,943	161,943
Earnings per share (PLN/share)	0.07	0.03	0.02	0.01
Net cash flows from operating activities	10,849	24,881	2,386	5,602
Net cash flows from investing activities	(18,488)	(9,392)	(4,066)	(2,115)
Net cash flows from financing activities	(338)	(9,380)	(74)	(2,112)
Total net cash flow	(7,977)	6,109	(1,754)	1,375
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Cash and cash equivalents	20,178	28,207	4,463	6,351
Total assets	129,141	110,287	28,566	24,834
Own equity	110,079	96,544	24,349	21,739
Share capital	1,829	1,829	405	412
Debt (finance lease liability)	4,960	6,191	1,097	1,394

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SELECTED FINANCIAL INFORMATION

Consolidated Profit and Loss Accounts	for the period from 1.01 to 30.06.2021		for the period from 1.01 to 30.06.2020	
	PLN'000	EUR'000	PLN'000	EUR'000
	Net revenue from sales	49,224	10,825	27,037
Profit (loss) from operating activities	17,316	3,808	5,174	1,165
Gross profit (loss)	17,638	3,879	5,792	1,304
Net profit (loss)	13,582	2,987	4,740	1,067
Weighted average number of shares (in thousands)	182,943	182,943	161,943	161,943
Profit (loss) per ordinary share (PLN/share)	0.07	0.02	0.03	0.01

Consolidated Statement of cash flow	for the period from 1.01 to 30.06.2021		for the period from 1.01 to 30.06.2020	
	PLN'000	EUR'000	PLN'000	EUR'000
	Net cash flows from operating activities	10,849	2,386	24,881
Net cash flows from investing activities	(18,488)	(4,066)	(9,392)	(2,115)
Net cash flows from financing activities	(338)	(74)	(9,380)	(2,112)
Net cash flows	(7,977)	(1,754)	6,109	1,375

Consolidated Balance sheet	as of 30.06.2021		as of 31.12.2020	
	PLN'000	EUR'000	PLN'000	EUR'000
	Non-current assets	71,093	15,726	69,137
Current assets	58,048	12,840	41,150	8,917
Total assets	129,141	28,566	110,287	23,899
Equity	110,079	24,349	96,544	20,921
Initial capital	1,829	405	1,829	396
Liabilities	19,062	4,217	13,743	2,978
Non-current liabilities	8,878	1,964	8,173	1,771
Current liabilities	10,184	2,253	5,570	1,207
Total equity and liabilities	129,141	28,566	110,287	23,899

I. Key financial data of CI Games Capital Group

CONSOLIDATED STATEMENT OF FINANCIAL CONDITIONS

ASSETS	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
A. Non-current assets	71,093	69,137
Property, plant and equipment	1,179	437
Intangible assets	59,136	55,749
Advances for intangible assets	4,687	3,238
Right-to-use asset	4,888	6,484
Deferred tax asset	1,203	3,229
B. Current assets	58,048	41,150
Inventory	2,362	1,576
Current investments	1,882	431
Advances granted	189	67
Trade receivables	29,086	6,833
Tax receivables	-	432
Cash and cash equivalents	20,178	28,207
Other current assets	4,351	3,604
Total assets	129,141	110,287
LIABILITIES & EQUITY	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
A.	110,079	96,544
Share capital	1,829	1,829
Share premium	78,653	78,653
Reserve capital for the acquisition of shares	16,000	16,000
Dividend capital	1,017	1,017
Reserve capital	(5)	(5)
Exchange differences from converting version units	365	412
Retained earnings	12,061	(1,531)
including profit for the period	13,592	6,959
Equity attributable to owners of the Parent	109,920	96,375
Equity attributable to non-controlling interests	159	169
B. LIABILITIES	19,062	13,743
Non-current liabilities	8,878	8,173
Finance lease liabilities	4,555	5,867
Deferred income tax provision	4,323	2,306
Current liabilities	10,184	5,570
Borrowings including credits, loans and other debt instruments	1	33
Income tax liabilities	11	-
Trade liabilities	5,823	3,169
Finance lease liabilities	405	324
Other liabilities	846	586
Other current provisions	2,915	862
Deferred revenues	183	596
Total equity and liabilities	129,141	110,287

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND COMPREHENSIVE INCOME

Statement of comprehensive income	for the period from 1.01 to 30.06.2021	for the period from 1.01 to 30.06.2020
	PLN'000	PLN'000
Continuing operations		
Net revenue from sales	49,224	27,037
Revenue from sale of products and services	49,224	27,037
Revenue from sale of goods and materials	-	-
Costs of products, goods and services sold	(20,368)	(15,241)
Manufacturing cost of products sold	(20,368)	(15,241)
Value of goods and materials sold	-	-
Gross profit (loss) on sales	28,856	11,796
Other operating revenues	890	131
Selling costs	(9,063)	(3,373)
General and administrative costs	(3,318)	(2,882)
Other operating expenses	(49)	(498)
Profit (loss) on operating activities	17,316	5,174
Financial revenues	394	885
Financial expenses	(72)	(267)
Profit (loss) before tax	17,638	5,792
Income tax	(4,056)	(1,052)
current tax due	(11)	(99)
deferred tax	(4,045)	(953)
Profit (loss) on continuing operations	13,582	4,740
Discontinued operations	-	-
Loss from discontinued operations	-	-
Net profit (loss)	13,582	4,740
- net profit (loss) attributable to equity owners of the Parent	13,592	4,740
- net profit (loss) attributable to non-controlling interest	(10)	-
Total other comprehensive income, including:		
Foreign exchange differences from translation of foreign entities	(47)	(137)
Total income for the financial year	13,535	4,603
- total net comprehensive income attributable to equity owners of the Parent	13,545	4,603
- total net comprehensive income attributable to non-controlling interest	(10)	-
Net profit (loss) attributable to equity owners of the Parent	13,592	4,740
Weighted average number of shares in the period (in thousands)	182,943	161,943
Net profit (loss) per ordinary share attributable to equity owners of the Parent (in PLN)	0.07	0.03

CONSOLIDATED CASH FLOW STATEMENT
(indirect method)

	for the period from 1.01 to 30.06.2021	for the period from 1.01 to 30.06.2020
	PLN'000	PLN'000
Cash flows from operating activities		
Gross profit (loss)	17,638	5,792
Total adjustments	(6,789)	19,089
Depreciation	12,243	11,530
Impairment loss (reversal)	-	111
Profit (loss) on foreign exchange differences	(125)	(127)
Interest	35	72
Comission on loans	-	199
Change in receivables	(21,816)	9,454
Change in inventory and prepayments	(908)	644
Change in trade and other payables	2,865	(1,659)
Change in employee benefit provisions and liabilities	2,043	221
Change in other current assets	(713)	(1,473)
Deferred revenues	(413)	111
Other adjustments	-	6
Net cash flows from operating activities	10,849	24,881
Cash flows from investing activities		
Cash outflows on acquisition of property, plant and equipment and intangible assets	(2,099)	(108)
Cash outflows on development works	(15,134)	(9,284)
Cash outflows on acquisition of financial assets	-	-
Cash outflows on loans granted	(1,255)	-
Net cash from investing activities	(18,488)	(9,392)
Cash flows from financing activities		
Net proceeds from the issue of shares and other capital instruments	-	2,987
Incurrence of borrowings	-	25
Repayment of borrowings	(32)	(11,577)
Repayment of finance lease liabilities	(290)	(354)
Interest	(16)	(262)
Other financial outflows	-	(199)
Net cash from financing activities	(338)	(9,380)
Total net cash flows	(7,977)	6,109
Exchange differences on cash	52	-
Balance sheet changes in cash and cash equivalents	(8,029)	6,109
Cash and cash equivalents at the beginning of the period	28,207	6,659
Cash and cash equivalents at the end of the period	20,178	12,768
<i>Including restricted cash</i>	-	-

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the period from 01.01. to 30.06.2021	Share capital	Share premium	Reserve capital for buyback of own shares	Share dividend	Differences from translation	Reserve capital	Retained earnings	Own equity of the Parent	Own equity of non controlling interest	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As of 01.01.2021	1,829	78,653	16,000	1,017	412	(5)	(1,531)	96,375	169	96,544
As of 01.01.2021, upon coversion	1,829	78,653	16,000	1,017	412	(5)	(1,531)	96,375	169	96,544
CHANGES IN EQUITY										
Profits and losses in the period	-	-	-	-	-	-	13,592	13,592	(10)	13,582
Other	-	-	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-	-
Translation differences	-	-	-	-	(47)	-	-	-	-	-
As of 31.03.2021	1,829	78,653	16,000	1,017	365	(5)	12,061	109,920	159	110,079

For the period from 01.01. to 31.12.2020	Share capital	Share premium	Reserve capital for buyback of own shares	Share dividend	Differences from translation	Reserve capital	Retained earnings	Own equity of the Parent	Own equity of non controlling interest	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As of 01.01.2020	1,619	49,759	16,000	1,017	413	-	(8,490)	60,318	-	60,318
As of 01.01.2020, upon coversion	1,619	49,759	16,000	1,017	413	-	(8,490)	60,318	-	60,318
CHANGES IN EQUITY										
Profits and losses in the period	-	-	-	-	-	-	6,959	6,959	138	7,097
Other	-	-	-	-	-	(5)	-	(5)	31	26
Issue of shares	210	28,894	-	-	-	-	-	29,104	-	29,104
Translation differences	-	-	-	-	(1)	-	-	-	-	-

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 June 1st, 2007 as City Interactive S.A. On August 7, 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 30.06.2021, 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. 78.43% 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 Mcllex Trust sp. z o.o. with the seat in Warsaw.
- CI Games Bucharest Studio S.R.L. with a registered office in Bucharest, Romania. Share capital: LEI 200. 100% shares owned directly by CI Games S.A.

The Dominant Entity consolidates its subsidiaries which, as long as they meet the materiality threshold – are subject to full consolidation.

The following companies are excluded from consolidation due to materiality level:

- CI Games UK Ltd.;
- CI Games Bucharest Studio S.R.L.

3. Statement of compliance and general principles of preparation the semi-annual 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 30.06.2021, financial results and cash flow for the 6-month period ended 30.06.2021 and 30.06.2020.

The interim financial statements do not include all the information and disclosures required by annual financial statements and therefore they should be read in conjunction with the Financial Statement of CI Games Capital Group for the period ended 31.12.2020 approved for publication on 19.04.2021.

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

The Management Board verifies the estimates and assumptions on an ongoing basis and records any changes in these in the period, in which they were made. The key judgments and estimates made by Management applied in the preparation of interim financial statements remained unchanged compared to the judgments and estimates applied in the consolidated financial statements ended 31.12.2020.

4. 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.

5. 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 30/06/2021 - 4.5208 PLN/ EUR
- as of 31/12/2020 - 4.6148 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 first half of 2021 - 4.5472 PLN/ EUR
- for the first half of 2020 - 4.4413 PLN/ EUR

6. New standards and interpretations

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

- **Changes with regard to references to Conceptual Framework in IFRS** (applicable to annual periods starting on January 1, 2020 or thereafter).
- **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, 2020 or thereafter).
- **Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures – Interest Rate Benchmark Reform** (effective for annual periods beginning on or after January 1st 2020)
- **Amendments to IFRS 3 “Business Combinations”**: the definition of a business (applicable to combinations, for which the takeover date falls on the beginning of the first annual period commencing on January 1, 2020 or thereafter and with reference to acquisition of assets on the date of commencement of this annual period or later).
- **Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions** (effective for annual periods beginning on or after June 1st 2020);
- **Amendments to IFRS 4 Insurance Contracts**, deferral of IFRS 9 Financial Instruments (effective for annual periods beginning on or after January 1st 2021).

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

- **IFRS 17 “Insurance contracts”**. The standard is applicable to annual periods starting on January 1, 2023 or thereafter.
- **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).**
- **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 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).**
- **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).**

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.

7. Information about seasonality

Information about seasonality of the business is further described in the Management Report on the activities of CI Games Group in 2020 (Chapter I, point 2).

8. Audit performed by statutory auditor

These semi-annual consolidated and individual financial statements along with the selected components were not audited an independent statutory auditor. Data for this period were subject to review performed by a statutory auditor.

III. Notes to the financial statements for the period from 1 January to 30 June 2021

1. 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. Due to the fact that in 2019 - 2020 and in the first half of 2021, 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.

2. Changes in the fixed assets by type group

For the period from 1.01 to 30.06.2021	Buildings, premises and civil and water engineering structures	Technical equipment and machines	Investments in fixed assets	Vehicles	Other fixed assets	Fixed assets in progress	Total
Gross value as of 01.01.2021	-	2,117	-	-	32	3	2,152
increases:	-	539	114	856	-	10	1519
- acquisition	-	526	114	-	-	10	650
- transfer	-	13	-	-	-	-	13
- other	-	-	-	856	-	-	856
Decreases:	-	-	-	-	-	(13)	(13)
- liquidation	-	-	-	-	-	-	-
- transfer	-	-	-	-	-	(13)	(13)
- other	-	-	-	-	-	-	-
Gross value as of 30.06.2021	-	2,656	114	856	32	-	3,658
Cumulated depreciation	-	1,687	-	-	28	-	1,715
Increases:	-	183	-	-	2	-	185
- depreciation	-	183	-	-	2	-	185
Decreases:	-	-	-	579	-	-	579
- liquidation, sale	-	-	-	-	-	-	-
- other	-	-	-	579	-	-	579
Cumulated depreciation as of 30.06.2021	-	1,870	-	579	30	-	2,479
Net value							
As of 01.01.2021	-	430	-	-	4	3	437
As of 30.06.2021	-	786	114	277	2	-	1,179

For the period from 1.01 to 31.12.2020	Buildings, premises and civil and water engineering structures	Technical equipment and machines	Investments in fixed assets	Vehicles	Other fixed assets	Fixed assets in progress	Total
Gross value as of 01.01.2020	-	1,931	-	-	52	7	1,990
increases:	-	302	-	-	-	3	305
- acquisition	-	302	-	-	-	3	305
- transfer	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-
Decreases:	-	(116)	-	-	(20)	(7)	(143)
- liquidation	-	(116)	-	-	(20)	-	(136)
- transfer	-	-	-	-	-	(7)	(7)
- other	-	-	-	-	-	-	-
Gross value as of 31.12.2020	-	2,117	-	-	32	3	2,152
Cumulated depreciation	-	1,575	-	-	39	-	1,614
Increases:	-	217	-	-	9	-	226
- depreciation	-	217	-	-	9	-	226
Decreases:	-	(105)	-	-	(20)	-	(125)
- liquidation, sale	-	(105)	-	-	(20)	-	(125)
- other	-	-	-	-	-	-	-
Cumulated depreciation as of 31.12.2020	-	1,687	-	-	28	-	1,715
Net value							
As of 01.01.2020	-	356	-	-	13	7	376
As of 31.12.2020	-	430	-	-	4	3	437

The tables below present movements in the fixed assets classified in accordance with IFRS 16.

For the period from 01.01 to 30.06.2021	Contract for lease of office space	Vehicles	Total
Gross value as of 01.01.2021	6,579	856	7,435
increases:	-	-	-
- conclusion of a new contract	-	-	-
decreases:	1,608	856	2,464
- revaluation of the acquisition value	974	-	974
- end of contract	634	856	1,490
Gross value as of 30.06.2021	4,971	-	4,971
Cumulated amortization as of 01.01.2021	458	493	951
increases:	259	86	345
- amortization	259	86	345
decreases:	634	579	1,213
- end of contract	634	579	1,213
Cumulated amortization as of 30.06.2021	83	-	83
Net value			
As of 01.01.2021	6,121	363	6,484
As of 30.06.2021	4,888	-	4,888

For the period from 01.01 to 31.12.2020	Contract for lease of office space	Vehicles	Total
Gross value as of 01.01.2020	634	856	1,490
increases:	5,945	-	5,945
- conclusion of a new contract	5,945	-	-
decreases:	-	-	-
- end of contract	-	-	-
Gross value as of 31.12.2020	6,579	856	7,435
Cumulated amortization as of 01.01.2020	35	322	357
increases:	423	171	594
- amortization	423	171	594
decreases:	-	-	-
- end of contract	-	-	-
Cumulated amortization as of 31.12.2020	458	493	951
Net value			
As of 01.01.2020	599	534	1,133
As of 31.12.2020	6,121	363	6,484

3. Changes in value of intangible assets according to type group and advances for intangible assets

For the period from 01.01 to 30.06.2021	Costs of development projects	Copyrights, licenses, concessions	Rights to press titles, Rights to distribution	Other intangible assets	Advances for intangible assets	Total
Gross value as of 01.01.2021	232,268	200	966	2,294	3,238	238,966
increases:	15,423	-	-	-	1,450	16,873
- acquisition	-	-	-	-	1,450	1,450
- produced internally	15,423	-	-	-	-	15,423
decreases:	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-
- transfer	-	-	-	-	-	-
- impairment allowance	-	-	-	-	-	-
Gross value as of 30.06.2021	247,691	200	966	2,294	4,688	255,839
Cumulated amortization as of 01.01.2021	177,890	200	178	1,711	-	179,979
increases:	11,738	-	152	147	-	12,037
- amortization	11,738	-	152	147	-	12,037
decreases:	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-
Cumulated amortization as of 30.06.2021	189,628	200	330	1,858	-	192,016
Net value						
As of 01.01.2021	54,378	-	788	583	3,238	58,987
State as of 30.06.2021	58,063	-	636	436	4,688	63,823

In the first half of 2021, the increases on the Development projects amounted to PLN 15,423 thousand and related mainly to investments on the games "Sniper Ghost Warrior Contracts 2" and "Lords of the Fallen 2".

For the period from 01.01 to 31.12.2020	Costs of development projects	Copyrights, licenses, concessions	Rights to press titles, Rights to distribution	Other intangible assets	Advances for intangible assets	Total
Gross value as of 01.01.2020	211,691	200	51	2,207	1,943	216,092
increases:	20,577	-	915	89	2,210	23,791
- acquisition	-	-	915	89	2,210	3,214
- produced internally	20,577	-	-	-	-	20,577
decreases:	-	-	-	(2)	(915)	(917)
- liquidation	-	-	-	(2)	-	(2)
- transfer	-	-	-	-	(915)	(915)
- impairment allowance	-	-	-	-	-	-
Gross value as of 31.12.2020	232,268	200	966	2,294	3,238	238,966
Cumulated amortization as of 01.01.2020	159,682	200	51	1,331	-	161,264
increases:	18,208	-	127	382	-	18,717
- amortization	18,208	-	127	382	-	18,717
decreases:	-	-	-	2	-	2
- liquidation	-	-	-	2	-	2
Cumulated amortization as of 12.31.2020	177,890	200	178	1,711	-	179,979
Net value						
As of 12.31.2020	52,009	-	-	876	1,943	54,828
State as of 31.12.2020	54,378	-	788	583	3,238	58,987

4. 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.

The Company monitors revenues' forecasts including taxable income, which enables to utilize tax losses in the future.

DEFERRED TAX	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
Deferred tax assets		
Opening value	3,229	5,949
Including assets compared to the financial result	3,229	5,949
Increases recognised in financial result	1,203	3,229
Cost provision	509	20
Receivables valuation allowances	-	48
Provision for returns	391	59
Exchange differences	13	108
Tax loss	266	2,994
Difference between balance sheet and tax value of rights to distribute games	22	-
Other	2	-
Decreases compared to the financial result	3,229	5,949
Closing value	1,203	3,229
Deferred tax provisions		
Opening value	2,306	6,205
Including assets compared to the financial result	2,306	6,205
Increases compared to the financial result	4,323	2,306
Leasing	-	52
Revenues for current period invoices in the following period	16	-
Exchange differences	13	15
Accrued interest on the loan	9	24
Compensation	-	61
Difference between the balance-sheet and tax value of tangible fixed assets and intangible assets	4,244	2,148
Forward valuation	39	-
Other	2	6
Decreases compared to the result	2,306	6,205
Closing value	4,323	2,306

5. Inventory

INVENTORY	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
Materials	466	393
Finished products	2,116	1,403
Goods	-	-
Total gross inventories	2,582	1,796
Impairment allowance	(220)	(220)
Total net inventories	2,362	1,576

In the opinion of the Management Board of the Issuer, all provisions that are not subject to an impairment allowance represent a recoverable value higher than their book value.

6. Short-term investments

As of 30.06.2021 short term investment in the amount of PLN 1,676 thousand included: the loan balance (with interest) granted to a related party CI Games Bucharest Studio S.R.L. (this entity was not consolidated) and PLN 206 thousand of valuation of five forward contracts.

CI Games S.A. granted also loans to its subsidiaries: United Label S.A. and CI Games Mediterranean Projects S.L. Details of these loans are further described in the Management Report of CI Games Capital Group, Chapter IV, point 17.

The Group did not grant any loans to third parties.

7. Trade receivables and prepayments

RECEIVABLES - STRUCTURE	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
Trade receivables from related entities	1,199	119
Trade receivables from other entities	28,142	6,969
up to 12 months	28,142	6,969
above 12 months	-	-
Trade receivables	29,341	7,088
Impairment allowance for trade receivables	(255)	(255)
Net trade receivables	29,086	6,833
Advance payments granted	189	67

8. Other assets

OTHER ASSETS	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
Tax receivables	2,455	1,834
Other settlements with employees	1	1
Securities and deposits	702	228
Other settlements	821	1,126
Prepayments	372	415
Insurance	48	132
Licenses	213	224
Costs of adapting to the game platform	29	36
Other prepayments	82	23
Other assets total	4,351	3,604
including long-term assets:	-	-

As of 30.06.2021 r. Other assets comprised mainly of the following items:

- tax receivables (PLN 2,455 thousand), which included VAT receivables, Corporate Income Tax receivables resulting from an annual tax return submitted for 2020 and withholding tax receivables.
- deposits (PLN 702 thousands), which included a deposit for the new office rental and unsettled deposits as of 30.06.2020 related to the previous office rental at Twarda 18.
- Other settlements (PLN 820 thousand), which included balance with EP Office 1 Sp. z o.o. concerning unduly collected bank guarantees (for the total amount of PLN 782 thousand (EUR 173 thousand)). The Management Board is of opinion that the evidence gathered, procedural documentation and legal arguments make it possible

to assume that probability of winning of this case is high, and thus establishment of an allowance for these receivables is not justified.

9. Information about changes in provisions

MOVEMENTS IN PROVISIONS	Unused holidays provision	Other provisions
	PLN'000	PLN'000
Balance as of 01.01.2021	103	759
Creation of the provision	185	2,620
Utilisation of the provision	55	697
Release of the provision	-	-
Balance as of 30.06.2021	233	2,682

The growth in the provisions as of 30.06.2021 mainly resulted from created provisions for un-invoiced current costs and a provision for a motivational bonus for employees working on the "SGWC 2" game.

10. Trade liabilities

LIABILITIES - STRUCTURE	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
Trade liabilities to related entities	-	-
Trade liabilities to other entities	5,823	3,169
up to 12 months	5,823	3,169
above 12 months	-	-
Trade liabilities	5,823	3,169

11. Share capital of Dominant entity

As of 30.06.2021 r. share capital comprised of nine series of shares issued at the following terms:

SHARE SERIES	VOLUME OF SHARES	NOMINAL VALUE	REGISTRATION
		(PLN)	
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	

The share capital structure as of the date of the release of this report, is the following:

SHARE CAPITAL - STRUCTURE	Number of shares	% of votes
Marek Tymiński	53,083,570	29.02%
Rockbridge Towarzystwo Funduszy Inwestycyjnych S.A.	15,718,357	8.59%
Other shareholders	114,141,088	62.39%
All shareholders in total	182,943,015	100%

12. 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)
State as of July 30st, 2021		74,484

13. Reserve capital for purchase of own shares

Established by resolution of the Extraordinary General Meeting of CI Games S.A. of 08.11.2010 in association with a resolution passed on the same day on approval of purchase by the Company of treasury shares. The capital was established by transfer from supplementary capital of the Company of amounts, which in accordance with art. 348 par. 1 of the Code of Commercial Companies may be distributed among the shareholders.

The amount of reserve capital for purchase of treasury shares as of 30.06.2021: PLN 16,000,000 (31.12.2020: PLN 16,000,000)

Until the date of preparation of the financial statements, no acquisition of treasury shares by the Issuer has taken place.

14. Credit, loan and financial lease liabilities

LOAN LIABILITIES	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
Liabilities due to financial lease - the short-term component	405	324
Liabilities due to financial lease - the long-term component	4,555	5,867
Liabilities due to credits, including overdraft facilities	1	33
TOTAL	4,961	6,224

Finance lease liability related mainly to IFRS 16 implementation and recognition of the respective asset and liability resulting from the office space rental.

As of 30.06.2021, the Group did not have any loan liabilities nor debt securities. As of the 30.06.2021 and 31.12.2020, the loan liabilities balance related to business credit cards.

15. Financial assets and liabilities - classification and valuation

Upon analysis of individual classes of financial instruments, the Management Board decided that the balance sheet value of instruments did not depart significantly from their fair value both on and 30.06.2021 and 31.12.2020.

Financial assets and liabilities - classification and valuation	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
Financial assets valued according to amortized cost		
Trade receivables	29,086	6,833
Cash and cash equivalents	20,178	28,207
Financial assets valued according to fair value		
Unlisted stocks and shares	-	-
Total financial assets	49,264	35,040
Financial liabilities are measured at amortized cost		
Trade liabilities	5,823	3,169
Financial liabilities	4,961	6,224
Total financial liabilities	10,784	9,393

16. Financial instruments

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	stan na 30.06.2021	stan na 31.12.2020
	tys. zł	tys. zł
Forward contracts - USD	206	-

Dominant entity uses 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).

17. Net revenues from sales of products

The breakdowns of the Group's revenues into sales of physical products and digital one, and geographical are presented below.

The structure of the Groups' sales in value terms:

Sales structure	for the period from 01.01 to 30.06.2021	for the period from 01.01 to 30.06.2020
Console games	49%	72%
PC Games	51%	28%

The structure of the Groups' sales in volume terms:

Sales structure	for the period from 01.01 to 30.06.2021	for the period from 01.01 to 30.06.2020
Console games	36%	42%
PC Games	64%	58%

The structure of the Group's net revenues from products in value terms:

Revenue	for the period from 01.01 to 30.06.2021		for the period from 01.01 to 30.06.2020	
	PLN'000	Share (%)	PLN'000	Share (%)
Sales of physical products	16,251	33%	7,418	27%
Licenses	745	2%	1	-
Digital sales	32,214	65%	19,603	73%
Other sales	14	0%	15	-
Total	49,224	100%	27,037	100%

The structure of the Group's net revenues from products in volume terms:

Revenues	for the period from 01.01 to 30.06.2021		for the period from 01.01 to 30.06.2020	
	pieces	Share (%)	pieces	Share (%)
Sales of physical products	293,847	22%	97,764	10%
Licenses	17,394	1%	-	0%
Digital sales	1,044,123	77%	873,680	90%
Other sales	-	-	-	-
Total	1,355,364	100%	971,444	100%

Share of export in the Group's revenues in value terms:

Revenues	for the period from 01.01 to 30.06.2021	for the period from 01.01 to 30.06.2020
	PLN'000	PLN'000
Export	48,346	26,932
<i>share (%)</i>	98%	100%
Domestic	878	105
<i>udział (%)</i>	2%	0%
Total	49,224	27,037

Share of export in the Group's revenues in volume terms:

Revenues	for the period from 01.01 to 30.06.2021	for the period from 01.01 to 30.06.2020
	pieces	pieces
Export	1,294,263	964,257
<i>share (%)</i>	95%	99%
Domestic	61,101	7,187
<i>udział (%)</i>	5%	1%
Total	1,355,364	971,444

18. Costs by type

COSTS BY TYPE	for the period from 1.01 to 30.06.2021	for the period from 1.01 to 30.06.2021
	PLN'000	PLN'000
Depreciation and amortization	12,237	11,530
Consumption of materials and energy	254	116
External services	8,356	4,813
Taxes and charges	41	13
Employee benefits	1,768	1,346
Other costs	4,464	1,549
Costs by type	27,120	19,367
Selling costs	(9,063)	(3,373)
General and administration costs	(3,318)	(2,882)
Value of products sold	5,629	2,129
Cost of products sold	20,368	15,241

19. Other operating revenues

OTHER OPERATING REVENUES	for the period from 1.01 to 30.06.2021	for the period from 1.01 to 30.06.2021
	PLN'000	PLN'000
Reversal of impairment allowance for receivables	-	17
Compensations	277	-
Written-off liabilities	-	24
Re-invoicing	33	39
Lease	13	50
Other	567	1
Total other operating revenues	890	131

20. Other operating expenses

OTHER OPERATING EXPENSES	for the period from 1.01 to 30.06.2021	for the period from 1.01 to 30.06.2021
	PLN'000	PLN'000
Impairment loss on inventories	-	127
Written-off receivables	-	28
Re-invoicing	43	34
Legal costs	-	250
Withholding tax as a cost	2	12
Other	4	47
Total other operating costs	49	498

21. Finance revenues and costs

FINANCIAL REVENUES AND COSTS	for the period from 1.01 to 30.06.2021	for the period from 1.01 to 30.06.2021
	PLN'000	PLN'000
Interest	19	-
Positive foreign exchange differences	169	885
Valuation of forward contracts	206	-
Total financial revenue	394	885
Interest	72	72
Negative foreign exchange differences	-	1
Impairment loss on financial assets	-	-
Commission fees and other charges	-	194
Other financial expenses	-	-
Total financial expenses	72	267

22. 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.
- 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.

In the first half of 2021, CI Games S.A. generated taxable profit and utilized tax losses from the previous years. As of 30.06.2021 current tax liability amounted to PLN 11 thousand.

As of 30.06.2021 changed in deferred tax of PLN 4,045 thousand comprised of the following items:

- reduction of the deferred tax asset balance by the amount of PLN 2,027 thousand mainly due to utilization of tax losses from previous years; and

- increase of the deferred tax provision balance by the amount of PLN 2,018 thousand, resulting mainly from the completion of development work on “SGWC 2” game and a difference between the tax and book value of these development works.

INCOME TAX	for the period from 1.01 to 30.06.2021	for the period from 1.01 to 30.06.2020
	PLN'000	PLN'000
Gross profit (loss)	17,638	5,792
Current income tax	(11)	(99)
Deferred tax:	(4,045)	(953)
Decrease/increase in the deferred tax asset	(2,027)	(3,016)
Decrease/increase the provision for deferred tax	(2,018)	2,063
Total income tax	(4,056)	(1,052)
Net profit (loss)	13,582	4,740

23. Transactions with related parties

All the transactions are set on the arm-length principles.

Transactions for the period from 01.01. to 30.06.2021 and and balances as of 30.06.2021				
Entity	COSTS PLN'000	REVENUES PLN'000	RECEIVABLES PLN'000	LIABILITIES PLN'000
CI Games USA Inc.	-	5,578	15,699	-
Business Area Sp. z o.o.	-	1	-	-
Business Area Sp. z o.o. Sp.J.	-	5	-	679
CI Games S.A. Sp. J.	(1)	1	-	191
United Label S.A.	656	48	3,586	148
CI Games UK Limited	661	-	1,199	-
CI Games Bucharest Studio SRL	-	19	1,676	-
CI Games Mediterranean Projects	-	103	9,416	-
TOTAL	1,316	5,755	31,576	1,018

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

Transactions for the period from 01.01. to 30.06.2021 and and balances as of 30.06.2021				
Entity	COSTS PLN'000	REVENUES PLN'000	RECEIVABLES PLN'000	LIABILITIES PLN'000
Onimedia Sp. z o.o.	-	-	-	-
Premium Restaurants Sp. z o.o.	-	-	-	9
Premium Food Restaurants S.A.	-	-	84	-
Fine Dining Sp. z o.o.	-	-	174	-
TOTAL	-	-	258	9

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

Transactions for the period from 01.01. to 30.06.2021 and and balances as of 30.06.2021				
Entity	COSTS PLN'000	REVENUES PLN'000	RECEIVABLES PLN'000	LIABILITIES PLN'000
Marek Tymiński	30	-	-	-
GWW Grynhoff i Partnerzy Radcowie Prawni i Doradcy Podatkowi Spółka Partnerska	5	-	-	-
TOTAL	35	-	-	-

24. 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.

The Company did not use public assistance as part of crisis mitigation and assistance programs prepared by the government of the Republic of Poland.

25. 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 the first half of 2021.

IV. Semi-annual standalone financial statements of CI GAMES S.A.

SELECTED FINANCIAL INFORMATION

Profit and Loss Accounts	for the period from 1.01 to 30.06.2021		for the period from 1.01 to 30.06.2020	
	PLN'000	EUR'000	PLN'000	EUR'000
Net revenue from sales	47,672	10,484	26,465	5,959
Profit (loss) from operating activities	20,683	4,549	5,994	1,350
Gross profit (loss)	21,387	4,703	6,708	1,510
Net profit (loss)	17,346	3,815	5,537	1,247
Weighted average number of shares (in thousands)	182,943	182,943	161,943	161,943
Profit (loss) per ordinary share (PLN/share)	0.09	0.02	0.03	0.01

Statement of cash flow	for the period from 1.01 to 30.06.2021		for the period from 1.01 to 30.06.2020	
	PLN'000	EUR'000	PLN'000	EUR'000
Net cash flows from operating activities	8,098	1,781	25,491	5,740
Net cash flows from investing activities	(15,801)	(3,475)	(10,538)	(2,373)
Net cash flows from financing activities	(338)	(74)	(12,027)	(2,708)
Net cash flows	(8,041)	(1,768)	2,926	659

Balance sheet	as of 30.06.2021		as of 31.12.2020	
	PLN'000	EUR'000	PLN'000	EUR'000
Non-current assets	73,828	16,331	74,328	16,106
Current assets	57,310	12,677	36,906	7,997
Total assets	131,138	29,008	111,234	24,104
Equity	115,109	25,462	97,763	21,185
Initial capital	1,829	405	1,829	396
Liabilities	16,029	3,546	13,471	2,919
Non-current liabilities	8,878	1,964	8,173	1,771
Current liabilities	7,151	1,582	5,298	1,148
Total equity and liabilities	131,138	29,008	111,234	24,104

STATEMENT OF FINANCIAL CONDITION

ASSETS	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
A. Non-current assets	73,828	74,328
Property, plant and equipment	1,176	437
Intangible assets	49,074	52,175
Right-to-use asset	4,888	6,484
Shares in subsidiaries	4,516	4,516
Long term investments	13,002	7,532
Deferred tax asset	1,172	3,184
B. Current assets	57,310	36,906
Inventory	2,362	1,576
Current investments	1,882	431
Advances granted	162	51
Trade receivables	41,402	15,543
Tax receivables	-	432
Cash and cash equivalents	7,565	15,658
Other current assets	3,937	3,215
Total assets	131,138	111,234
LIABILITIES & EQUITY	as of 30.06.2021	as of 31.12.2020
	PLN'000	PLN'000
	stan na 30.06.2021	stan na 31.12.2020
	tys. zł	tys. zł
A.	115,109	97,763
Share capital	1,829	1,829
Share premium	74,484	74,484
Reserve capital for the acquisition of shares	16,000	16,000
Dividend capital	1,017	1,017
Retained earnings	21,779	4,433
including profit for the period	17,346	6,070
B. LIABILITIES	16,029	13,471
Non-current liabilities	8,878	8,173
Finance lease liabilities	4,555	5,867
Deferred income tax provision	4,323	2,306
Current liabilities	7,151	5,298
Borrowings including credits, loans and other debt instruments	1	33
Income tax liabilities	11	-
Trade liabilities	3,875	3,700
Finance lease liabilities	405	324
Other liabilities	271	246
Other current provisions	2,588	580
Deferred revenues	-	415
Total equity and liabilities	131,138	111,234

PROFIT AND LOSS ACCOUNT AND COMPREHENSIVE INCOME

(costs by function)

Statement of comprehensive income	for the period from 1.01 to 30.06.2021	for the period from 1.01 to 30.06.2020
	PLN'000	PLN'000
Continuing operations		
Net revenue from sales	47,672	26,465
Revenue from sale of products and services	47,672	26,465
Revenue from sale of goods and materials	-	-
Costs of products, goods and services sold	(20,204)	(15,286)
Manufacturing cost of products sold	(20,204)	(15,286)
Value of goods and materials sold	-	-
Gross profit (loss) on sales	27,468	11,179
Other operating revenues	899	145
Selling costs	(4,535)	(2,070)
General and administrative costs	(3,100)	(2,762)
Other operating expenses	(49)	(498)
Profit (loss) on operating activities	20,683	5,994
Financial revenues	776	982
Financial expenses	(72)	(268)
Profit (loss) before tax	21,387	6,708
Income tax	(4,041)	(1,171)
current tax due	(11)	(99)
deferred tax	(4,030)	(1,072)
Profit (loss) on continuing operations	17,346	5,537
Discontinued operations	-	-
Loss from discontinued operations	-	-
Net profit (loss)	17,346	5,537
Total other comprehensive income, including:		
Total income for the financial year	17,346	5,537
Net profit (loss) in thousands of PLN	17,346	5,537
Weighted average number of shares (in thousands)	182,943	161,943
Profit (loss) per ordinary share (in PLN)	0.09	0.03

CASH FLOW STATEMENT

(indirect method)

for the period from 1.01 to 30.06.2021 for the period from 1.01 to 30.06.2020

	PLN'000	PLN'000
Cash flows from operating activities		
Gross profit (loss)	21,387	6,708
Total adjustments	(13,289)	18,783
Depreciation	12,085	11,530
Impairment loss (reversal)	-	111
Profit (loss) on foreign exchange differences	19	12
Interest	(167)	15
Comission on loans	-	199
Change in receivables	(25,422)	6,983
Change in inventory and prepayments	(897)	637
Change in trade and other payables	198	231
Change in employee benefit provisions and liabilities	1,998	322
Change in other current assets	(688)	(1,374)
Deferred revenues	(415)	111
Other adjustments	-	6
Net cash flows from operating activities	8,098	25,491
Cash flows from investing activities		
Repayment of loans granted	1,241	-
Cash outflows on acquisition of property, plant and equipment and intangible ass	(641)	(108)
Cash outflows on development works	(8,493)	(7,982)
Cash outflows on loans granted	(7,908)	(2,448)
Net cash from investing activities	(15,801)	(10,538)
Cash flows from financing activities		
Incurrence of borrowings	-	365
Repayment of borrowings	(32)	(11,577)
Repayment of finance lease liabilities	(290)	(354)
Interest	(16)	(262)
Other financial outflows	-	(199)
Net cash from financing activities	(338)	(12,027)
Total net cash flows	(8,041)	2,926
Exchange differences on cash	52	-
Balance sheet changes in cash and cash equivalents	(8,093)	2,926
Cash and cash equivalents at the beginning of the period	15,658	4,306
Cash and cash equivalents at the end of the period	7,565	7,232
<i>including restricted cash</i>	-	-

CHANGES IN EQUITY

za okres od 1.01 do 30.06.2021	Kapitał akcyjny	Kapitał z emisji akcji powyżej ich wartości nominalnej	Kapitał rezerwowo na wykup akcji własnych	Pozostałe kapitały rezerwowe	Kapitał dywidendowy	Zyski zatrzymane	Kapitał własny razem
	tys. zł	tys. zł	tys. zł	tys. zł	tys. zł	tys. zł	tys. zł
STAN NA 1.01.2021	1 829	74 484	16 000	-	1 017	4 433	97 763
STAN NA 1.01.2021, PO PRZEKSZTAŁCEN	1 829	74 484	16 000	-	1 017	4 433	97 763
ZMIANY W KAPITALE WŁASNYM							
Zyski i straty w okresie	-	-	-	-	-	17 346	17 346
Emisja akcji	-	-	-	-	-	-	-
STAN NA 30.06.2021	1 829	74 484	16 000	-	1 017	21 779	115 109

za okres od 1.01 do 31.12.2020	Kapitał akcyjny	Kapitał z emisji akcji powyżej ich wartości nominalnej	Kapitał rezerwowo na wykup akcji własnych	Pozostałe kapitały rezerwowe	Kapitał dywidendowy	Zyski zatrzymane	Kapitał własny razem
	tys. zł	tys. zł	tys. zł	tys. zł	tys. zł	tys. zł	tys. zł
STAN NA 1.01.2020	1 619	49 759	16 000	-	1 017	(1 637)	66 758
STAN NA 1.01.2020, PO PRZEKSZTAŁCEN	1 619	49 759	16 000	-	1 017	(1 637)	66 758
ZMIANY W KAPITALE WŁASNYM							
Zyski i straty w okresie	-	-	-	-	-	6 070	6 070
Emisja akcji	210	24 725	-	-	-	-	24 935
STAN NA 31.12.2020	1 829	74 484	16 000	-	1 017	4 433	97 763

All the mid-year financial information essential for the assessment of the Issuer's assets and financial position were included in the annual consolidated financial statement prepared as of 30.06.2021.

The following abridged mid-year financial statement of the Company, prepared as 30.06.2021, should be read in conjunction with CI Games S.A. annual financial statement for 31.12.2020 and semi-annual consolidated financial statements of Capital Group CI Games prepared as of 30.06.2021.

Statement of the Management Board of CI Games S.A.

On reliability of preparation of the annual consolidated financial statements

Accordingly with provisions of art. 68 section 1 clause 4 and art. 69 1 clause 4 of the Regulation of the Minister of Finance of 29.03.2018 (Journal of Laws of 2018 item 757) on current and periodical information provided by issuers of securities and the prerequisites for recognition of information required by the law of a non-Member State as equivalent, the Management Board of CI Games S.A. hereby states that according to its best knowledge, the consolidated annual financial statement and comparative data have been prepared in accordance with the applicable accounting principles and they reflect truly, reliably and clearly the results and financial position of CI Games Capital Group, as well as its financial result, and that the Management Report on the activities of CI Games Group in 2020 contains a true reflection of its development and achievements, as well as the situation of CI Games Capital Group, including a description of the basic threats and risk.

On the entity authorized to audit the individual financial statement of CI Games S.A. and the consolidated annual financial statements of CI Games Capital Group

On May 02.07.2021, the Supervisory Board of CI Games S.A., acting on the basis of the recommendation of the Audit Committee, selected UHY ECA Audyt Sp. z o.o. Sp. k. with a registered office in Warsaw as the auditor conducting a review of semi-annual and an audit of annual financial statements of the Company for years 2021-2023. The selected entity has been entered on the list of entities authorized to audit financial statements of the National Chamber of Statutory Auditors under no. 3115.

Management Board of CI Games S.A.

Marek Tymiński

President of the Management Board

Monika Rumianek

Board Member

Anna Matyszkiewicz

Chief Accountant

Warsaw, September 1, 2021



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