



GAMES



**CAPITAL GROUP
CI GAMES**

Consolidated Financial Report for the period from
1st January to 30th June, 2023

Warsaw, 28 September, 2023

SELECTED FINANCIAL INFORMATION

Profit and Loss Accounts	for the period from 1.01 to 30.06.2023		for the period from 1.01 to 30.06.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
	Net revenue from sales	22,241	4,821	30,461
Profit (loss) from operating activities	(4,005)	(868)	11,008	2,369
Gross profit (loss)	(3,433)	(744)	13,521	2,909
Net profit (loss)	(3,145)	(682)	13,344	2,871
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 (in PLN)	(0.02)	0.00	0.07	0.01

Statement of cash flow	for the period from 1.01 to 30.06.2023		for the period from 1.01 to 30.06.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
	Net cash flows from operating activities	17,646	3,825	15,537
Net cash flows from investing activities	(48,608)	(10,537)	(34,966)	(7,524)
Net cash flows from financing activities	29,189	6,328	(522)	(112)
Net cash flows	(1,773)	(384)	(19,951)	(4,293)

Balance sheet	as of 30.06.2023		as of 31.12.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
	Non-current assets	203,439	45,714	158,466
Current assets	17,123	3,848	20,795	4,434
Total assets	220,562	49,561	179,261	38,223
Equity	141,323	31,756	142,217	30,324
Initial capital	1,829	411	1,829	390
Liabilities	79,239	17,805	37,044	7,899
Non-current liabilities	3,484	783	4,644	990
Current liabilities	75,755	17,022	32,400	6,908
Total equity and liabilities	220,562	49,561	179,261	38,223

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 30.06.2023 - 4.4503 PLN/EUR
- as of 31.12.2022 - 4.6899 PLN/EUR

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

- for the first six months of 2023 - 4.6130 PLN/EUR
- for the first six months of 2022 - 4.6427 PLN/EUR

CONTENT

I.	KEY FINANCIAL DATA OF CI GAMES CAPITAL GROUP.....	4
II.	KEY BASIC INFORMATION	9
III.	NOTES TO THE FINANCIAL STATEMENTS	13
IV.	STAND ALONE FINANCIAL STATEMENTS OF CI GAMES SE.....	32
V.	STATEMENT OF THE MANAGEMENT BOARD OF CI GAMES SE	37

I. KEY FINANCIAL DATA OF CI GAMES CAPITAL GROUP

CONSOLIDATED STATEMENT OF FINANCIAL CONDITIONS

ASSETS	Note	as of 30.06.2023	as of 31.12.2022
		PLN'000	PLN'000
A. Non-current assets		203,439	158,466
Property, plant and equipment	1	1,501	1,528
Intangible assets	2	197,131	152,044
Right-to-use asset	3	2,747	3,397
Long term investments		-	-
Deferred tax asset	4	1,568	1,017
Long term receivables	5	492	480
B. Current assets		17,123	20,795
Inventory	6	1,207	1,171
Current investments		-	346
Trade and other receivables	7	10,445	12,242
Tax receivables		588	418
Cash and cash equivalents		4,883	6,618
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners		17,123	20,795
Non-current assets classified as held for sale or as held for distribution to owners		-	-
Total assets		220,562	179,261
LIABILITIES & EQUITY			
		as of 30.06.2023	as of 31.12.2022
		PLN'000	PLN'000
A.		141,323	142,217
Share capital	8	1,829	1,829
Share premium	9	78,653	78,653
Other reserve capital	10	20,454	18,203
Retained earnings		38,558	42,128
including profit for the period		(3,570)	8,196
Equity attributable to owners of the Parent		139,494	140,813
Equity attributable to non-controlling interests		1,829	1,404
B. LIABILITIES		79,239	37,044
Non-current liabilities		3,484	4,644
Loans, credit and other debt instruments		-	-
Finance lease liabilities	11	1,916	2,783
Deferred income tax provision	4	1,568	1,861
Current liabilities		75,755	32,400
Borrowings including credits, loans and other debt instruments	12	48,209	18,575
Income tax liabilities		64	66
Trade liabilities and other liabilities	13	23,955	11,641
Finance lease liabilities	11	1,068	1,219
Other current provisions	14	2,459	899
Current liabilities other than liabilities included in disposal groups classified as held for sale		75,755	32,400
Liabilities included in disposal groups classified as held for sale		-	-
Total equity and liabilities		220,562	179,261

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND COMPREHENSIVE INCOME

Statement of comprehensive income	Note	for the period from 1.01 to 30.06.2023 PLN'000	for the period from 1.01 to 30.06.2022 PLN'000
Continuing operations			
Net revenue from sales		22,241	30,461
Costs of products, goods and services sold		(8,649)	(7,914)
Gross profit (loss) on sales		13,592	22,547
Other operating revenues	18	49	37
Selling costs		(7,840)	(3,832)
General and administrative costs		(8,832)	(7,462)
Other operating expenses	19	(88)	(248)
Impairment loss/impairment gain and reversal of impairment loss	20	(886)	(34)
Profit (loss) on operating activities		(4,005)	11,008
Financial revenues	21	1,594	2,691
Financial expenses	22	(1,022)	(178)
Profit (loss) before tax		(3,433)	13,521
Income tax	23	288	(177)
Profit (loss) on continuing operations		(3,145)	13,344
Discontinued operations		-	-
Loss from discontinued operations		-	-
Net profit (loss)		(3,145)	13,344
- net profit (loss) attributable to equity owners of the Parent		(3,570)	13,179
- net profit (loss) attributable to non-controlling interest		425	164
Total other comprehensive income, including:			
Other comprehensive income that will be reclassified to profit or loss before tax		(231)	(474)
Foreign exchange differences from translation of foreign entities		(231)	(474)
Other comprehensive income before tax		(231)	(474)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		-	-
Other net comprehensive income		(231)	(474)
TOTAL COMPREHENSIVE INCOME		(3,376)	12,870
- total net comprehensive income attributable to equity owners of the Parent		(3,801)	12,705
- total net comprehensive income attributable to non-controlling interest		425	164
Weighted average diluted number of shares (in thousands)		182,943	182,943
Number of diluted shares (in thousands units)		186,963	185,005
Basic earnings /loss per share attributable to equity owners of the Parent (PLN)		(0.02)	0.07
Diluted earnings/ loss per share (PLN)		(0.02)	0.07

CONSOLIDATED CASH FLOW STATEMENT
(indirect method)

	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Cash flows from operating activities		
Gross profit (loss)	(3,433)	13,521
Total adjustments	21,806	2,162
Depreciation and amortization	4,196	4,295
Impairment loss (reversal)	866	128
Profit (loss) on foreign exchange differences	(1,236)	267
Adjustments to finance cost /income	741	156
Profit (loss) on sales of fixed assets	(1)	-
Change in trade and other receivables	899	(5,051)
Change in inventories	(16)	298
Change in trade and other payables	12,315	1,330
Change in provisions	4,042	739
Other adjustments	-	-
Net cash flows from operating activities	18,373	15,683
Paid corporate income tax (return) related to operating activity	(727)	(146)
NET CASH FLOWS FROM OPERATING ACTIVITIES (used in the operating activity)	17,646	15,537
Cash flows from investing activities		
Repayment of loans granted	-	-
Cash inflows on disposal of property, plant and equipment and intangible assets	2	-
Cash outflows on acquisition of property, plant and equipment and intangible assets	(48,610)	(34,966)
Cash outflows on acquisition of financial assets	-	-
Cash outflows on loans granted	(48,608)	(34,966)
Cash flows from financing activities		
Net proceeds from the issue of shares and other capital instruments	-	-
Inflows from loans	30,776	-
Repayment of loans	(2)	(13)
Repayment of finance lease liabilities	(585)	(353)
Interest	(912)	(28)
Other financial outflows	(88)	(128)
NET CASH FLOW FROM FINANCING ACTIVITIES	29,189	(522)
TOTAL NET CASH FLOWS	(1,773)	(19,951)
Exchange differences on cash	38	(175)
Balance sheet changes in cash and cash equivalents	(1,735)	(20,126)
Cash and cash equivalents at the beginning of the period	6,618	37,843
Cash and cash equivalents at the end of the period	4,883	17,717

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

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

For the period from 01.01. to 30.06.2022	Share capital	Share premium	Other reserve capital	Retained earnings	Equity attributable to owners of parent	Non controlling interest	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
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	-	-	-	13,179	13,179	164	13,343
Increase (decrease) as the result of other changes in equity	-	-	(474)	-	(474)	-	(474)
Total	-	-	(474)	13,179	12,705	164	12,869
Increase (decrease) as the result of other changes in equity	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Valuation of motivational program	-	-	764	-	764	-	764
Increase (decrease) as the result of change in ownership in subsidiaries which do not result in loss of control	-	-	-	-	-	-	-
Changes in equity	-	-	290	13,179	13,469	164	13,633
As of 30.06.2022	1,829	78,653	16,919	49,473	146,874	1,868	148,742

II. KEY BASIC INFORMATION

1. Information about CI Games Capital Group

- Name of the reporting entity: CI Games Capital Group
- Location: Warsaw, Poland
- Legal form: European company
- Country of registration: Poland
- Registered Address: Rondo Daszyńskiego 2B, 00-843 Warsaw
- Basic place of conducting business activity: Warsaw, Barcelona, London, Bucharest
- The core business activity: production, publishing and distribution of video games
- Name of dominant entity: CI Games SE
- Name of dominant entity at the highest level: CI Games SE
- Tax identification number NIP: 1181585759
- Statistical identification number (REGON): 017186320

2. Structure of the Capital Group

As of 30.06.2023, CI Games Capital Group (“the Group”, “Capital Group CI Games”) consisted of the following entities:

- CI Games SE (“the Company”, “CI Games”, “Parent entity”, “Dominant entity”) 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. On 17.03.2023, transformation of CI Games SA into CI Games European Company was registered.
- United Label S.A. with a registered office in Warsaw. Share capital: PLN 127,500. 91.65% shares held by CI Games SE, 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 SE.
- Business Area sp. z o.o. with a registered office in Warsaw. Share capital: PLN 5,000; 100% shares held by CI Games SE.
- Business Area sp. z ograniczoną odpowiedzialnością sp.j. with a registered office in Warsaw. 99.99% contribution of CI Games SE; the remaining 0.01% of Business Area sp. z o.o.
- CI Games S.A. sp.j. with a registered office in Warsaw. 99.99% contribution of Business Area ograniczoną odpowiedzialnością sp.j.; the remaining 0.01% of CI Games SE.
- CI Games UK Ltd. with a registered office in London, the United Kingdom. Share capital GBP 100; 100% shares held by CI Games SE.
- 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 SE; the remaining 25% shares owned by Mclex 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 SE.

3. Companies included in consolidation

The following companies are subject to consolidation:

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

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

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

The interim condensed consolidated financial statements were prepared in accordance with requirements of IAS 34 „Interim financial reporting” approved by EU („IAS 34”) and the scope required by the Minister of Finance Regulation of March 29, 2018 on current and periodical information to be published by issuers of securities and conditions of consideration of information required by the law of non-member country's law as equal (Official Journal 2018, item 757) and present financial position of the Group and the Company as of 30.06.2023, financial results and cash flow for the 6-month period ended 30.06.2023 and 30.06.2022.

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 and CI Games for the period ended 31.12.2022 approved for publication on 27.04.2022.

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 31.12.2022.

5. Going concern assumption

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

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

In association with the situation related to economic uncertainty in Poland and over the world related to the war in Ukraine, and their implications – the Management Board is of opinion that the current situation does not constitute an event that would require an adjustment of the consolidated financial statements for the six month period ended 30.06.2023. As of the date of publication of these financial statements, the situation is subject to

constant changes. The Management Board is monitoring the potential impact and will take all steps to mitigate any negative consequences for the Group.

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

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

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

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

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

A description of material accounting principles applied by the Company can be found in the financial statement for the year ended on December 31, 2022, which was made public on 28.04.2023. In the first half of 2023, there was not changes in the accounting policy.

8. Impact of the war in Ukraine in 2023 on the financial results of the Group

The Group did not identify requirement for impairment of the fixed assets, nor expected credit losses and the related writes-off in relation to the war in Ukraine.

9. New standards and interpretations

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

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

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

10. Review performed by the statutory auditor

These semi-annual consolidated and individual financial statements along with the selected components were subject to review performed by a statutory auditor.

III. NOTES TO THE FINANCIAL STATEMENTS

Note 1: Changes in the fixed assets by type group

For the period from 1.01 to 30.06.2023	Buildings, premises and civil and water engineering structures, investments in fixed assets	Technical equipment and machines	Vehicles	Other fixed assets	Fixed assets in progress	Total
Gross value as of 01.01.2023	115	3,380	701	163	-	4,359
Increases:	-	366	-	-	-	366
- acquisition	-	366	-	-	-	366
- transfer	-	-	-	-	-	-
- other	-	-	-	-	-	-
Decreases:	-	2	-	-	-	2
- liquidation	-	2	-	-	-	2
- transfer	-	-	-	-	-	-
- other	-	-	-	-	-	-
Gross value as of 30.06.2023	115	3,748	701	163	-	4,727
Cumulated depreciation as of 01.01.2023	31	2,078	669	53	-	2,831
Increases:	12	333	32	16	-	393
- depreciation	12	333	32	16	-	393
- transfer	-	-	-	-	-	-
Decreases:	-	2	-	-	-	2
- liquidation, sale	-	2	-	-	-	2
- other	-	-	-	-	-	-
Cumulated depreciation as of 30.06.2023	43	2,413	701	69	-	3,226
Net value						
As of 01.01.2023	84	1,302	32	110	-	1,528
As of 30.06.2023	72	1,335	-	94	-	1,501

For the period from 1.01 to 31.12.2022	Buildings, premises and civil and water engineering structures, investments in fixed assets	Technical equipment and machines	Vehicles	Other fixed assets	Fixed assets in progress	Total
Gross value as of 01.01.2022	115	3,472	856	182	-	4,625
Increases:	-	585	-	-	-	585
- acquisition	-	585	-	-	-	585
- transfer	-	-	-	-	-	-
- other	-	-	-	-	-	-
Decreases:	-	(677)	(155)	(19)	-	(851)
- liquidation	-	(551)	(155)	(19)	-	(725)
- transfer	-	-	-	-	-	-
- other	-	(126)	-	-	-	(126)
Gross value as of 31.12.2022	115	3,380	701	163	-	4,359
Cumulated depreciation	6	2,141	664	40	-	2,851
Increases:	25	606	160	32	-	823
- depreciation	25	606	160	32	-	823
- transfer	-	-	-	-	-	-
Decreases:	-	(669)	(155)	(19)	-	(843)
- liquidation, sale	-	(543)	(155)	(19)	-	(717)
- other	-	(126)	-	-	-	(126)
Cumulated depreciation as of 31.12.2022	31	2,078	669	53	-	2,831
Net value						
As of 01.01.2022	109	1,331	192	142	-	1,774
As of 31.12.2022	84	1,302	32	110	-	1,528

Note 2: Changes in value of intangible assets according to type group and advances for intangible assets

For the period from 01.01 to 30.06.2023	Costs of completed development projects	Costs of development projects work in progress	Rights to press titles, Rights to distribution	Other intangible assets	Intangibles in progress	Total
Gross value as of 01.01.2023	209,545	139,154	5,785	1,849	2,058	358,391
increases:	-	47,785	-	50	907	48,742
- acquisition	-	-	-	50	907	957
- transfer	-	-	-	-	-	-
- produced internally	-	47,785	-	-	-	47,785
decreases:	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-
- transfer	-	-	-	-	-	-
- impairment allowance	-	-	-	-	-	-
Gross value as of 30.06.2023	209,545	186,939	5,785	1,899	2,965	407,133
Cumulated amortization as of 01.01.2023	201,677	-	2,853	1,817	-	206,347
increases:	2,677	-	960	18	-	3,655
- amortization	2,677	-	960	18	-	3,655
decreases:	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-
Cumulated amortization as of 30.06.2023	204,354	-	3,813	1,835	-	210,002
NBV:						
As of 01.01.2023	7,868	139,154	2,932	32	2,058	152,044
As of 30.06.2023	5,191	186,939	1,972	64	2,965	197,131

For the period from 01.01 to 31.12.2022	Costs of completed development projects	Costs of development projects work in progress	Rights to press titles, Rights to distribution	Other intangible assets	Intangibles in progress	Total
Gross value as of 01.01.2022	209,545	62,495	5,785	2,166	276	280,267
increases:	-	76,672	-	14	1,782	78,468
- acquisition	-	-	-	14	1,782	1,796
- transfer	-	932	-	-	-	932
- produced internally	-	75,740	-	-	-	75,740
decreases:	-	(13)	-	(331)	-	(344)
- liquidation	-	(13)	-	(331)	-	(344)
- transfer	-	-	-	-	-	-
- impairment allowance	-	-	-	-	-	-
Gross value as of 31.12.2022	209,545	139,154	5,785	1,849	2,058	358,391
Cumulated amortization as of 01.01.2022	196,337	-	946	2,024	-	199,307
increases:	5,340	-	1,907	124	-	7,371
- amortization	5,340	-	1,907	124	-	7,371
decreases:	-	-	-	(331)	-	(331)
- liquidation	-	-	-	(331)	-	(331)
Cumulated amortization as of 31.12.2022	201,677	-	2,853	1,817	-	206,347
NBV:						
As of 31.12.2022	13,208	62,495	4,839	142	276	80,960
As of 31.12.2022	7,868	139,154	2,932	32	2,058	152,044

Note 3: Right-to-use asset

For the period from 01.01 to 30.06.2023	Contract for lease of office space
Gross value as of 01.01.2023	4,971
increases:	-
- conclusion of a new contract	-
Decreases	261
- revaluation of the acquisition value	261
- end of contract	-
Gross value as of 30.06.2023	4,710
Cumulated amortization as of 01.01.2023	1,574
increases:	389
- amortization	389
decreases:	-
- end of contract	-
Cumulated amortization as of 30.06.2023	1,963
Net value	
As of 01.01.2023	3,397
As of 30.06.2023	2,747

For the period from 01.01 to 31.12.2022	Contract for lease of office space
Gross value as of 01.01.2022	4,971
increases:	-
- conclusion of a new contract	-
Decreases	-
- revaluation of the acquisition value	-
- end of contract	-
Gross value as of 31.12.2022	4,971
Cumulated amortization as of 01.01.2022	580
increases:	994
- amortization	994
decreases:	-
- end of contract	-
Cumulated amortization	1,574
Net value	
As of 01.01.2022	4,391
As of 31.12.2022	3,397

Note 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 Group due to utilization of deferred tax assets are doubtful.

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

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

DEFERRED TAX	as of 30.06.2023	as of 31.12.2022
	PLN'000	PLN'000
Deferred tax assets		
Opening value	1,017	3,643
Including assets compared to the financial result	(1,017)	(3,643)
Increases recognised in financial result	1,568	1,017
Cost provision	1,074	68
Receivables valuation allowances	-	-
Provision for returns	37	118
Inventory impairment	-	-
Exchange differences	94	395
Tax losses	-	217
Difference between the balance-sheet and tax value	139	219
Other	224	-
Decreases compared to the financial result	(1,017)	(3,643)
Closing value	1,568	1,017
Deferred tax provisions		
Opening value	1,861	2,914
Including assets compared to the financial result	(1,861)	(2,914)
Increases compared to the financial result	1,568	1,861
Valuation for returns	-	-
Leasing	-	-
Exchange differences	345	102
Compensation	-	-
Difference between the balance-sheet and tax value of fixed assets	1,223	1,750
Other	-	9
Decreases compared to the result	(1,861)	(2,914)
Closing value	1,568	1,861

Note 5: Long term receivables

Long term trade and other receivables	as of 30.06.2023 PLN'000	as of 31.12.2022 PLN'000
Other long term receivables		
Securities and deposits	480	480
Prepayments		
Other prepayments	12	-
Trade and other long term receivables	492	480

Securities and deposits relate to a deposit for an office rental.

Note 6: Inventory

INVENTORIES	as of 30.06.2023 PLN'000	as of 31.12.2022 PLN'000
Materials	715	404
Finished products	1,646	1,941
Goods	-	-
Total gross inventories	2,361	2,345
Impairment allowance	(1,154)	(1,174)
Total net inventories	1,207	1,171

CHANGE OF REVALUATION INVENTORIES

	PLN'000
Balance as of 01.01.2023	(1,174)
Increases, including:	-
- impairment of inventory	-
Decreases, including:	-
- release of the impairment (write-offs)	20
Balance as of 30.06.2023	(1,154)

Note 7: Receivables and prepayments

Short term trade and other receivables	as of 30.06.2023 PLN'000	as of 31.12.2022 PLN'000
Trade receivables from related entities	-	-
Trade receivables from other entities	5,190	7,999
up to 12 months	5,190	7,999
above 12 months	-	-
Trade receivables	5,190	7,999
Impairment allowance for trade receivables	(1,228)	(342)
Net trade receivables	3,962	7,657
Advance payments granted	27	79
Other short term receivables		
Tax receivables (excluding income tax)	3,288	2,751
Other settlements with employees	64	10
Securities and deposits	349	147
Other settlements	924	813
Prepayments		
Insurance	39	148
License	783	253
Costs of games' porting on platforms	197	293
Other prepayments	812	91
Other short term receivables	6,456	4,506
Trade and other short term receivables	10,445	12,242

As of 30.06.2023 r. Other short term receivables comprised of the following items:

- Tax receivables (PLN 3,288 thousand) included mainly VAT receivables and withholding tax receivables.
- Other settlements (PLN 924 thousand) include mainly balance with EP Office 1 Sp. z o.o. concerning unduly collected bank guarantees for the total amount of PLN 769 thousand. As of the report publication date, the court dismissed the claim. The Company filed a motion to substantiate the judgment and appealed to the Court of Appeal in Warsaw. The Management Board is of opinion that probability of winning of this case is high, and thus establishment of an allowance for these receivables is not justified.
- Other prepayments of PLN 812 thousand included mainly advances related to participation in the "Gamescom" fairs.

CHANGE OF REVALUATION RECEIVABLES

	PLN'000
Balance as of 01.01.2023	342
Increases, including:	892
- impairment of receivables	892
Decreases, including:	-
- release of the impairment (write-offs)	(6)
Balance as of 30.06.2023	1,228

Note 8: Share capital of Dominant entity

As of 30.06.2023, 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	

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

Note 9: 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 30.06.2023		74,484

Note 10: Other reserve capital

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

The amount of reserve capital for purchase of treasury shares as of 30.06.2023 amounted to PLN 16,000,000 (31.12.2022: PLN 16,000,000). General Meeting of CI Games S.A. of 08.11.2010 in association with a resolution passed on the same day on approval of purchase by the Company of treasury shares. The capital was established by transfer from supplementary capital of the Company of amounts, which in accordance with art. 348 par. 1 of the Code of Commercial Companies may be distributed among the shareholders.

As of 30.06.2023 the balance resulting from accounting for motivational plan amounted to PLN 4,385 thousand.

Note 11: Financial lease liabilities

Finance lease liability	as of 30.06.2023	as of 31.12.2022
	PLN'000	PLN'000
Liabilities due to financial lease - the short-term component	1,068	1,219
Liabilities due to financial lease - the long-term component	1,916	2,783
TOTAL	2,984	4,002

Finance lease liabilities relate to the implementation of IFRS 16 and recognition of the asset and liability resulting from the office rental agreement.

Note 12: Loan liabilities

Liabilities from loans and other debt instruments	as of 30.06.2023	stan na 31.12.2022
	PLN'000	PLN'000
Multi-purpose overdraft limit	28,398	18,575
Non-renewable credit facility	19,803	-
Credit cards	8	-
Total liabilities from loans and debt instruments	48,209	18,575

As of 30.06.2023 the short term loan liabilities included:

- multi-purpose overdraft limit up to PLN 29 mln (utilized PLN 28,398 thousand as of 30.06.2023) in PKO BP S.A.;
- non-renewable credit facility of PLN 20 mln (utilized PLN 19,803 thousand as of 30.06.2023) used for the production of “Lords of the Fallen” in PKO BP S.A.;
- credit cards balance.

The details of the loan agreements are disclosed in the Management Report, Chapter II, point 7.

Note 13: Trade and other liabilities

LIABILITIES - STRUCTURE	as of 30.06.2023 PLN'000	as of 31.12.2022 PLN'000
Trade liabilities to related entities	78	36
Trade liabilities to other entities	14,727	8,515
up to 12 months	14,727	8,515
above 12 months	-	-
Trade liabilities	14,805	8,551
Tax liabilities excluding corporate income tax	2,363	1,253
Other financial liabilities	-	-
Other liabilities	351	118
Trade liabilities	2,714	1,371
Deferred income	6,436	1,719
Total short term trade and other liabilities	23,955	11,641

Note 14: Other current provisions

OTHER PROVISIONS	as of 30.06.2023 PLN'000	as of 31.12.2022 PLN'000
Provision for audit	79	168
Provision for non-invoiced costs	2,065	425
Provision for marketing costs	-	-
Provision for unused holidays	119	96
Other provisions	196	210
Total other short-term provisions	2,459	899
MOVEMENTS IN PROVISIONS	Unused holidays provision PLN'000	Other provisions PLN'000
Balance as of 01.01.2023	96	803
Creation of the provision	82	3,538
Utilisation of the provision	59	2,001
Release of the provision	-	-
Balance as of 30.06.09.2023	119	2,340

Provisions for retirement benefits have not been established due to low average age average age of employees and the resulting immaterial value of provisions.

As of 30.06.2023 provisions for unvoiced costs related mainly to royalty costs in United Label S.A.

Note 15: Financial assets and liabilities - classification and valuation

Financial assets and liabilities - classification and measurement	as of 30.06.2023 PLN'000	as of 31.12.2022 PLN'000
Financial assets valued according to amortized cost		
Trade receivables	3,962	7,657
Cash and cash equivalents	4,883	6,618
Financial assets valued according to fair value		
Unlisted stocks and shares	-	-
Other financial assets	-	346
Total financial assets	8,845	14,621
Financial liabilities are measured at amortized cost		
Trade liabilities	14,805	8,551
Loan liabilities	48,209	18,575
Financial liabilities	2,984	4,002
Financial liabilities valued according to fair value		
Other financial liabilities	-	-
Total financial liabilities	65,998	31,128

Note 16: Information about operational segments

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

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

30.06.2023	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
A. Non-current assets	198,328	5,260	(149)	203,439
Property, plant and equipment	1,501	-	-	1,501
Intangible assets	192,194	4,986	(49)	197,131
Right-to-use asset	2,747	-	-	2,747
Long term investments	100	-	(100)	-
Deferred tax asset	1,294	274	-	1,568
Long term receivables	492	-	-	492
B. Current assets	17,148	7,606	(7,631)	17,123
Inventory	1,207	-	-	1,207
Current investments	-	-	-	-
Trade and other receivables	10,582	7,494	(7,631)	10,445
Tax receivables	577	11	-	588
Cash and cash equivalents	4,782	101	-	4,883
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners	17,148	7,606	(7,631)	17,123
Non-current assets classified as held for sale or as held for distribution to owners	-	-	-	-
Total assets	215,476	12,866	(7,780)	220,562

30.06.2023	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
A.	131,926	9,547	(150)	141,323
Share capital	1,829	128	(128)	1,829
Share premium	74,484	4,169	-	78,653
Other reserve capital	20,454	-	-	20,454
Retained earnings	33,358	5,250	(50)	38,558
including profit for the period	(4,392)	784	38	(3,570)
Equity attributable to owners of the Parent	130,125	9,547	(178)	139,494
Equity attributable to non-controlling interests	1,801	-	28	1,829
B. LIABILITIES	83,550	3,319	(7,630)	79,239
Non-current liabilities	3,484	-	-	3,484
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	1,916	-	-	1,916
Deferred income tax provision	1,568	-	-	1,568
Current liabilities	80,066	3,319	(7,630)	75,755
Borrowings including credits, loans and other debt instruments	48,209	-	-	48,209
Income tax liabilities	64	-	-	64
Trade liabilities and other liabilities	29,765	1,820	(7,630)	23,955
Finance lease liabilities	1,068	-	-	1,068
Other current provisions	960	1,499	-	2,459
Current liabilities other than liabilities included in disposal groups classified as held for sale	80,066	3,319	(7,630)	75,755
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total equity and liabilities	215,476	12,866	(7,780)	220,562

Consolidated P&L per segments for 1H 2023

CI GAMES GROUP UNITED LABEL

 Consolidation
eliminations

Total

Continuing operations

Net revenue from sales	17,118	5,670	(547)	22,241
Costs of products, goods and services sold	(5,435)	(3,232)	18	(8,649)
Gross profit (loss) on sales	11,683	2,438	(529)	13,592
Other operating revenues	51	-	(2)	49
Selling costs	(7,663)	(744)	567	(7,840)
General and administrative costs	(8,376)	(456)	-	(8,832)
Other operating expenses	(90)	-	2	(88)
Impairment loss/impairment gain and reversal of impairment loss	(886)	-	-	(886)
Profit (loss) on operating activities	(5,281)	1,238	38	(4,005)
Financial revenues	1,615	(21)	-	1,594
Financial expenses	(1,014)	(8)	-	(1,022)
Profit (loss) before tax	(4,680)	1,209	38	(3,433)
Income tax	713	(425)	-	288
Profit (loss) on continuing operations	(3,967)	784	38	(3,145)
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
Net profit (loss)	(3,967)	784	38	(3,145)
- net profit (loss) attributable to equity owners of the Parent	(4,392)	784	38	(3,570)
- net profit (loss) attributable to non-controlling interest	425	-	-	425

31.12.2022

CI GAMES GROUP UNITED LABEL

 Consolidation
eliminations

Total

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

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

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

As of 30.06.2022



PLN'000	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
A. Non-current assets	115,215	5,557	(229)	120,543
Property, plant and equipment	1,663	-	-	1,663
Intangible assets	107,104	5,230	(96)	112,238
Right-to-use asset	3,894	-	-	3,894
Long term investments	100	-	(100)	-
Deferred tax asset	2,454	327	(33)	2,748
Long term receivables	-	-	-	-
B. Current assets	43,725	4,273	(2,008)	45,990
Inventory	2,131	-	-	2,131
Current investments	63	-	-	63
Trade and other receivables	19,620	3,823	(2,022)	21,421
Tax receivables	4,394	264	-	4,658
Cash and cash equivalents	17,517	186	14	17,717
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners	43,725	4,273	(2,008)	45,990
Non-current assets classified as held for sale or as held for distribution to owners	-	-	-	-
Total assets	158,940	9,830	(2,237)	166,533

As of 30.06.2022

PLN'000	CI GAMES GROUP	UNITED LABEL	Consolidation eliminations	Total
A.	141,016	7,917	(191)	148,742
Share capital	1,829	128	(128)	1,829
Share premium	74,484	4,169	-	78,653
Other reserve capital	16,919	-	-	16,919
Retained earnings	45,944	3,620	(91)	49,473
including profit for the period	12,812	339	28	13,179
Equity attributable to owners of the Parent	139,176	7,917	(219)	146,874
Equity attributable to non-controlling interests	1,840	-	28	1,868
B. LIABILITIES	17,924	1,913	(2,046)	17,791
Non-current liabilities	5,952	35	(33)	5,954
Loans, credit and other debt instruments	-	-	-	-
Finance lease liabilities	3,383	-	-	3,383
Deferred income tax provision	2,569	35	(33)	2,571
Current liabilities	11,972	1,878	(2,013)	11,837
Borrowings including credits, loans and other debt instruments	-	-	-	-
Income tax liabilities	41	-	-	41
Trade liabilities and other liabilities	7,295	1,120	(2,013)	6,402
Finance lease liabilities	1,237	-	-	1,237
Other current provisions	3,399	758	-	4,157
Current liabilities other than liabilities included in disposal groups classified as held for sale	11,972	1,878	(2,013)	11,837
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total equity and liabilities	158,940	9,830	(2,237)	166,533

Continuing operations				
Net revenue from sales	27,411	3,426	(376)	30,461
Costs of products, goods and services sold	(5,677)	(2,305)	68	(7,914)
Gross profit (loss) on sales	21,734	1,121	(308)	22,547
Other operating revenues	39	-	(2)	37
Selling costs	(3,687)	(481)	336	(3,832)
General and administrative costs	(7,039)	(422)	-	(7,461)
Other operating expenses	(250)	-	2	(248)
Impairment loss/impairment gain and reversal of impairment loss	(34)	-	-	(34)
Profit (loss) on operating activities	10,763	218	28	11,009
Financial revenues	2,577	114	-	2,691
Financial expenses	(172)	(7)	-	(179)
Profit (loss) before tax	13,168	325	28	13,521
Income tax	(191)	14	-	(177)
Profit (loss) on continuing operations	12,977	339	28	13,344
Discontinued operations	-	-	-	-
Loss from discontinued operations	-	-	-	-
Net profit (loss)	12,977	339	28	13,344
- net profit (loss) attributable to equity owners of the Parent	12,812	339	28	13,179
- net profit (loss) attributable to non-controlling interest	164	-	-	164

Note 17: Costs by type

COSTS ACCORDING TO TYPE	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Amortization	4,212	4,275
Consumption of materials and energy	484	462
External services	13,709	9,873
Taxes and charges	260	72
Employee benefits	4,776	3,096
Other costs	856	518
Costs according to type	24,297	18,296
Selling costs	(7,840)	(3,832)
General and administration costs	(8,832)	(7,462)
Value of products sold	1,024	912
Cost of products sold	8,649	7,914

Nota 18: Other operating revenues

OTHER OPERATING REVENUE	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Reversal of impairment allowance for inventories	20	-
Re-invoicing	24	37
Stock-taking differences	5	-
Total other operating revenues	49	37

Nota 19: Other operating costs

OTHER OPERATING EXPENSES	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Impairment loss on inventories	-	132
Re-invoicing	42	50
Stocktaking differences	42	-
Withholding tax as a cost	-	52
Other	4	14
Total other operating costs	88	248

Note 20: Impairment loss/gain and reversal of impairment loss

IMPAIRMENT LOSS/GAIN AND REVERSAL OF IMPAIRMENT LOSS	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Reversal of impairment allowance for receivables	6	4
Impairment allowance for receivables	(892)	(38)
Impairment loss/ gain and reversal of impairment loss	(886)	(34)

Note 21: Finance revenues

FINANCIAL REVENUES	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Interest charged	-	-
Positive net exchange rate differences	1,594	2,587
Total financial revenue	1,594	2,691

Note 22: Finance costs

FINANCIAL EXPENSES	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Interest charged	667	50
Commission fees and other charges	355	128
Total financial expenses	1,022	178

Note 23: Income tax

INCOME TAX	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Gross profit (loss)	(3,433)	13,521
Current income tax	(350)	375
Withholding tax paid abroad	(206)	-
Deferred tax:	844	(552)
Decrease/increase in the deferred tax asset	551	(895)
Decrease/increase the provision for deferred tax	293	343
Total income tax included in the profit and loss account	288	(177)
Net profit (loss)	(3,145)	13,344

Income tax charges on the financial result consist of the following items:

- 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.
- Withholding tax paid abroad relates to deducted withholding tax by the customers of the Company.
- Deferred tax is calculated using the balance sheet method as tax to be paid or returned in the future on differences between the balance sheet value of assets and liabilities and the corresponding tax values used for calculation of taxation basis.

Deferred tax comprised of the following items:

- Increase of deferred tax asset balance by the amount of PLN 551 thousand mainly due to created provisions for costs; and
- Decrease of deferred tax provision balance by the amount of PLN 293 thousand, resulting mainly from decreasing difference between the tax and book value of development works.

Calculation of deferred tax and liability is presented in the Note 4.

Note 24: Distribution of net profit for 2022

The Company did not pay dividends in 2022. The Ordinary General Meeting of Shareholders of CI Games SE dated 29.06.2023 passed a resolution to allocate profit earned in 2022 of PLN 7,135,302.16 in the following way: amount of PLN 7,135,000.00 (in words: seven million one hundred and thirty five thousand zloty) to the Company's supplementary capital.

Note 25: Transactions with related parties

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

Transactions for the period from 01.01. to 30.06.2023 and balances as of 30.06.2023				
Entity	COSTS*	REVENUES	RECEIVABLES	LIABILITIES
	PLN'000	PLN'000	PLN'000	PLN'000
CI Games USA Inc.	-	994	3,118	-
Business Area Sp. z o.o.	9	1	-	-
Business Area Sp. z o.o. Sp.J.	15	6	-	1,943
CI Games S.A. Sp. J.	-	1	-	191
United Label S.A.	5,376	569	520	7,110
CI Games UK Limited	4,649	-	4,010	-
CI Games Bucharest Studio SRL	507	-	-	78
CI Games Mediterranean Projects SL	34,338	73	4,168	18,966
TOTAL	44,894	1,644	11,817	28,289

*including capitalised costs

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

Transactions for the period from 01.01. to 30.06.2023 and balances as of 30.06.2023				
Entity	COSTS	REVENUES	RECEIVABLES	LIABILITIES
	PLN'000	PLN'000	PLN'000	PLN'000
Fine Dining Sp. z o.o.	-	-	160	-
TOTAL	-	-	160	-

Transactions of CI Games 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 30.06.2023 and balances as of 30.06.2023				
Entity	COSTS	REVENUES	RECEIVABLES	LIABILITIES
	PLN'000	PLN'000	PLN'000	PLN'000
Marek Tymiński	265	-	-	260
Niewińska Katarzyna	15	-	-	-
TOTAL	280	-	-	260

Note 26: Events after the balance sheet date

After the balance sheet dates, the following material events took place:

- On 20.07.2023 the Management Board of the Company adopted a resolution on the allotment of 60 series F bonds, registered, unsecured, non-documentary, convertible into series L ordinary bearer shares, with a par value equal to the issue price of EUR 100,000 each bond and a total par value of EUR 6m, bearing interest at a fixed annual rate of 8%. Further details are presented in the Management Report for 1H 2023, in Section IV, point 8.
- On 16.08.2023, the Company entered into a settlement agreement with Batfields s.r.o., headquartered in the Czech Republic, terminating the production agreement for "Survive". Pursuant to this settlement, the Company, as the sole owner of "Survive", has retained the intellectual property rights and is not obliged to pay any royalties to Batfields s.r.o. for "Survive".
- On 29.06.2023, Ordinary General Meeting of the Company adopted resolution no. 21/2/2023 on the establishment of an incentive program addressed to key employees and contractors of CI Games Group, including Members of the Managing Board of CI Games SE. Pursuant to this resolution the Company and CI Games Group have adopted a new incentive program based on series K 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 financial two specific targets, depending on whichever is reached first. The duration of this incentive program covers the years 2023-2026.

Note 27: Off balance sheet liabilities

- On 21.04.2023, the Company received a lawsuit filed by the E.P. Retail sp. z o.o., E.P. Office 2 sp. z o.o., E.P. Office 1 sp. z o.o. and E.P. Apartments sp. z o.o. in the District Court in Warsaw, whereby demand payment of PLN 483,636.15 and EUR 542,645.83 with interests. The claim consists of claims for contractual penalties, damages and reimbursement under the rental agreement concluded on 10.11.2017. The Company, filed a response to the lawsuit in which it disputes the claims.
- On 19.05.2023, the Company entered into an intermediary agreement with Trigon Dom Maklerski S.A., for the acquisition of shares of United Label S.A. This agreement relates to the acquisition through Trigon Dom Maklerski S.A. of up to 30,000 shares of United Label S.A. at a price of PLN 18.05 in one or more session, package or off-market transactions executed up to and including 30.05.2023. Pursuant to this agreement, the Company is obliged to repurchase from the brokerage house all the acquired shares of United Label S.A. by 30.12.2023. The value of the contingent liability amounts to PLN 519 thousand.

Note 28: Collaterals

- 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 49.3 mln in accordance with art. 777 §1, point 5 of Commercial Civil Code.
- On 27.03.2023 CI Games SE signed a loan agreement with PKO BP S.A. in the amount of PLN 20 mln. The loan is dedicated to financing production and marketing of "Lords of the Fallen". The loan was granted for the period from 27.03.2023 up to 30.11.2023. The Company established below mentioned loan's collaterals:
 - the guarantee issued de minimis by Bank Gospodarstwa Krajowego in the amount of PLN 7,028,000 and a blank promissory note issued for the benefit of Bank Gospodarstwa Krajowego;
 - a notarized declaration of submission to enforcement up to PLN 30 mln in accordance with art. 777 §1, point 5 of Commercial Civil Code;
 - registered and civil pledge on 10,400 thousand of shares of CI Games SE owned by Mr. Marek Tymiński, CEO of the Company.

IV. SEMI-ANNUAL STAND ALONE FINANCIAL STATEMENTS OF CI GAMES SE

SELECTED FINANCIAL INFORMATION

Profit and Loss Accounts	for the period from 1.01 to 30.06.2023		for the period from 1.01 to 30.06.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Net revenue from sales	16,640	3,607	27,024	5,821
Profit (loss) from operating activities	(5,105)	(1,107)	11,086	2,388
Gross profit (loss)	(4,455)	(966)	13,509	2,910
Net profit (loss)	(3,693)	(801)	12,945	2,788
Weighted average number of shares (in thousands)	182,943	182,943	182,943	182,943
Profit (loss) per ordinary share (PLN/share)	(0.02)	(0.00)	0.07	0.02

Statement of cash flow	for the period from 1.01 to 30.06.2023		for the period from 1.01 to 30.06.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Net cash flows from operating activities	17,890	3,878	23,908	5,150
Net cash flows from investing activities	(48,828)	(10,585)	(32,100)	(6,914)
Net cash flows from financing activities	30,089	6,523	(522)	(112)
Net cash flows	(849)	(184)	(8,714)	(1,877)

Balance sheet	as of 30.06.2023		as of 31.12.2022	
	PLN'000	EUR'000	PLN'000	EUR'000
Non-current assets	213,874	48,058	167,922	35,805
Current assets	21,333	4,794	22,969	4,898
Total assets	235,207	52,852	190,891	40,703
Equity	138,910	31,214	140,121	29,877
Initial capital	1,829	411	1,829	390
Liabilities	96,297	21,638	50,770	10,825
Non-current liabilities	3,484	783	4,638	989
Current liabilities	92,813	20,855	46,132	9,836
Total equity and liabilities	235,207	52,852	190,891	40,703

STATEMENT OF FINANCIAL CONDITIONS

ASSETS	as of 30.06.2023 PLN'001	as of 31.12.2022 PLN'000
Non-current assets	213,874	167,922
Property, plant and equipment	1,347	1,458
Intangible assets	196,257	149,883
Right-to-use asset	2,747	3,397
Other non current financial assets	7,557	7,557
Long term investments	4,168	4,318
Deferred tax asset	1,313	835
Long term receivables	485	474
Current assets	21,333	22,969
Inventories	1,207	1,171
Other short term financial assets	-	346
Trade receivables and other receivables	16,496	17,296
Current tax asset	577	292
Cash and cash equivalents	3,053	3,864
Current assets other than assets or disposal classified as held for sales or as held for distribution to owners	21,333	22,969
Non-current assets classified as held for sale or as held for distribution to owners		-
Total assets	235,207	190,891
LIABILITIES & EQUITY	as of 30.06.2023 PLN'001	as of 31.12.2022 PLN'000
	138,910	140,121
Share capital	1,829	1,829
Share premium	74,484	74,484
Reserve capital for the acquisition of shares	20,385	17,903
Retained earnings	42,212	45,905
including profit for the period	(3,693)	7,135
LIABILITIES	96,297	50,770
Non-current liabilities	3,484	4,638
Loans, credit and other debt instruments	-	-
Finance lease liabilities	1,916	2,783
Deferred income tax provision	1,568	1,855
Current liabilities	92,813	46,132
Borrowings including credits, loans and other debt instruments	49,124	18,575
Income tax liabilities	-	-
Trade liabilities and other liabilities	41,609	25,528
Finance lease liabilities	1,068	1,219
Current provisions	1,012	810
Current liabilities other than liabilities included in disposal groups classified as held for sale	92,813	46,132
Liabilities included in disposal groups classified as held for sale		-
Total equity and liabilities	235,207	190,891

PROFIT AND LOSS ACCOUNT AND COMPREHENSIVE INCOME

(costs by function)

Statement of comprehensive income	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Continuing operations		
Net revenue from sales	16,640	27,024
Costs of products, goods and services sold	(5,414)	(5,665)
Gross profit (loss) on sales	11,226	21,359
Other operating revenues	59	47
Selling costs	(6,984)	(3,034)
General and administrative costs	(8,419)	(7,038)
Other operating expenses	(101)	(252)
Impairment loss/impairment gain and reversal of impairment loss	(886)	4
Profit (loss) on operating activities	(5,105)	11,086
Financial revenues	1,680	2,595
Financial expenses	(1,030)	(172)
Profit (loss) before tax	(4,455)	13,509
Income tax	762	(564)
Profit (loss) on continuing operations	(3,693)	12,945
Discontinued operations	-	-
Loss from discontinued operations	-	-
Net profit (loss)	(3,693)	12,945
Total other comprehensive income, including:		
Total income for the financial year	(3,693)	12,945
Net profit (loss) attributable to equity owners of the Parent	(3,693)	12,945
Weighted average diluted number of shares (in thousands)	182,943	182,943
Number of diluted shares (thousand units)	186,963	185,005
Basic earnings/loss per share (PLN)	(0.02)	0.07
Diluted earnings/loss per share (PLN)	(0.02)	0.07

CASH FLOW STATEMENT

(indirect method)

	for the period from 1.01 to 30.06.2023	for the period from 1.01 to 30.06.2022
	PLN'000	PLN'000
Cash flows from operating activities		
Gross profit (loss)	(4,455)	13,509
Total adjustments	22,633	10,545
Depreciation and amortization	3,215	3,320
Impairment loss (reversal)	866	128
Profit (loss) on foreign exchange differences	(782)	210
Correction of financial income (cost)	683	82
Profit (loss) on investment activity	(1)	-
Change in receivables	(97)	4,609
Change in inventory	(16)	351
Change in trade and other payables	16,082	1,328
Change in provisions	2,684	517
Other adjustments	(1)	-
Net cash flows from operating activities	18,178	24,054
Paid corporate income tax (return) related to operating activity	(288)	(146)
Net cash flows from operating activities (used in the operating activity)	17,890	23,908
Cash flows from investing activities		
Repayment of loans granted	-	2,284
Cash inflows on disposal of property, plant and equipment and intangible assets	2	-
Cash outflows on acquisition of property, plant and equipment and intangible assets	(48,830)	(34,384)
Cash outflows on acquisition of financial assets	-	-
Cash outflows on loans granted	-	-
Net cash from investing activities	(48,828)	(32,100)
Cash flows from financing activities		
Net proceeds from the issue of shares	-	-
Inflows from borrowings	31,674	-
Repayment of borrowings	-	(13)
Repayment of finance lease liabilities	(585)	(353)
Interest	(912)	(28)
Other financial inflows (outflows) related to financial activity	(88)	(128)
Net cash from financing activities	30,089	(522)
Total net cash flows	(849)	(8,714)
Exchange differences on cash and cash equivalents	38	(175)
Balance sheet changes in cash and cash equivalents	(811)	(8,889)
Cash and cash equivalents at the beginning of the period	3,864	15,809
Cash and cash equivalents at the end of the period	3,053	6,920

CHANGES IN EQUITY

For the period from 01.01. to 30.06.2023	Share capital	Share premium	Other reserve capital	Retained earnings	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As of 01.01.2023	1,829	74,484	17,903	45,905	140,121
As of 01.01.2023, upon conversion	1,829	74,484	17,903	45,905	140,121
Profit (loss) for the period	-	-	-	(3,693)	(3,693)
Increase (decrease) as the result of other changes in equity	-	-	-	-	-
Issue of shares	-	-	-	-	-
Valuation of motivational program	-	-	2,482	-	2,482
Changes in equity	-	-	2,482	(3,693)	(1,211)
As of 30.06.2023	1,829	74,484	20,385	42,212	138,910

For the period from 01.01. to 30.06.2022	Share capital	Share premium	Other reserve capital	Retained earnings	Equity
	PLN'000	PLN'000	PLN'000	PLN'000	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	-	-	-	12,945	12,945
Increase (decrease) as the result of other changes in equity	-	-	-	-	-
Issue of shares	-	-	-	-	-
Valuation of motivational program	-	-	764	-	764
Changes in equity	-	-	764	12,945	13,709
As of 30.06.2022	1,829	74,484	16,764	51,715	144,792

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 30.06.2023.

The following abridged mid-year financial statement of the Company, prepared as of 30.06.2023, should be read in conjunction with CI Games financial statement for December 31, 2022, published on 28.04.2023.

V. STATEMENT OF THE MANAGEMENT BOARD OF CI GAMES SE

On reliability of preparation of the semi-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 SE hereby states that according to its best knowledge, the consolidated semi-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 SE and CI Games Capital Group, as well as its financial result, and that the Management Report on the activities of CI Games SE and CI Games Group contains a true reflection of its development and achievements, as well as the situation of CI Games SE and 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 SE and the consolidated annual financial statements of CI Games Capital Group

On 02.07.2021, the Supervisory Board of CI Games, 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. In 2023, in connection with the reorganization of the UHY ECA Group, the audit department of UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością Sp. k. was transferred to UHY ECA Audyt spółka z ograniczoną odpowiedzialnością and its number was changed into 3886.

Management Board of CI Games SE:

Marek Tymiński

President of the Management Board

David Broderick

Vice President of the Management Board

Monika Pierzchała

Chief Accountant

Warsaw, 28th September 2023

