CD PROJEKT®

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF THE CD PROJEKT CAPITAL GROUP FOR THE PERIOD BETWEEN 1 JULY AND 30 SEPTEMBER 2017

Disclaimer

This English language translation has been prepared solely for the convenience of English speaking readers. Despite all the efforts devoted to this translation, certain discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail. CD PROJEKT, its representatives and employees decline all responsibility in this regard.

CD PROJEKT Capital Group – selected financial highlights converted into EUR

	PLN		EUR	
	01.01.2017 - 30.09.2017	01.01.2016 - 30.09.2016*	01.01.2017 - 30.09.2017	01.01.2016 - 30.09.2016*
Net revenues from sales of products, goods and materials	339 571	419 803	79 775	96 091
Cost of products, goods and materials sold	56 938	93 376	13 376	21 373
Operating profit (loss)	186 226	207 945	43 750	47 598
Profit (loss) before tax	190 703	213 446	44 802	48 857
Net profit (loss) from continuing operations	154 380	171 233	36 268	39 195
Net profit (loss) attributable to equity holders of parent entity	154 380	171 233	36 268	39 195
Net cash flows from continuing operations	197 961	199 284	46 507	45 615
Net cash flows from investment activities	(263 123)	(233 441)	(61 815)	(53 434)
Net cash flows from financial activities	(101 761)	3 257	(23 907)	746
Aggregate net cash flows	(166 923)	(30 900)	(39 215)	(7 073)
Stock volume (in thousands)	96 120	95 213	96 120	95 213
Net profit (loss) per ordinary share	1.61	1.80	0.38	0.41
Diluted profit (loss) per ordinary share	1.55	1.78	0.36	0.41
Book value per share	8.68	7.27	2.01	1.69
Diluted book value per share	8.40	7.20	1.95	1.67
Declared or paid out dividend per share	1.05	-	0.25	-

* adjusted data

	PLN		EUR	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Total assets	930 386	874 960	215 912	197 776
Liabilities and provisions for liabilities (less accrued charges)	92 265	94 214	21 412	21 296
Long-term liabilities	907	8 275	210	1 870
Short-term liabilities	95 014	89 747	22 050	20 286
Equity	834 465	776 938	193 652	175 619
Share capital	96 120	96 120	22 306	21 727

The above data has been converted into EUR under the following assumptions:

- Elements of the consolidated profit and loss account and consolidated statement of cash flows were converted into EUR by applying the arithmetic average of exchange rates for the final day of each month belonging to the reporting period, as published by NBP. The corresponding exchange rates were: 4.2566 PLN/EUR for the period between 1 January and 30 September 2017, and 4.3688 PLN/EUR for the period between 1 January and 30 September 2016 respectively.

- Assets and liabilities listed in the consolidated statement of financial positions were converted into EUR by applying the exchange rate for the final day of the reporting period, as published by the National Bank of Poland. These exchange rates were: 4.3091 PLN/EUR on 30 September 2017 and 4.4240 PLN/EUR on 31 December 2016 respectively.

Spis treści

Primary financial data of the CD PROJEKT Capital Group

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Condensed interim consolidated profit and loss account

	Note	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016*	01.01.2016 – 30.09.2016*
Sales revenues		84 889	339 571	100 903	419 803
Revenues from sales of products		59 087	258 583	75 776	334 604
Revenues from sales of services		30	98	51	186
Revenues from sales of goods and materials		25 772	80 890	25 076	85 013
Cost of products, goods and materials sold		18 833	56 938	18 516	93 376
Cost of products and services sold	13	403	891	134	32 397
Value of goods and materials sold	13	18 430	56 047	18 382	60 979
Gross profit (loss) from sales		66 056	282 633	82 387	326 427
Other operating revenues	14	1 351	3 944	1 233	2 063
Selling costs	13	15 535	73 823	31 655	101 840
General and administrative costs	13	7 638	24 177	5 959	16 855
Other operating expenses	14	1 064	2 351	1 164	1 850
Operating profit (loss)		43 170	186 226	44 842	207 945
Financial revenues	15	2 187	7 648	2 859	7 624
Financial expenses	15	898	3 171	1 786	2 123
Profit (loss) before tax		44 459	190 703	45 915	213 446
Income tax	8	8 728	36 323	9 320	42 213
Net profit (loss) from continuing operations		35 731	154 380	36 595	171 233
Net profit (loss)		35 731	154 380	36 595	171 233
Net profit (loss) attributable to minority interests		-	-	-	-
Net profit (loss) attributable to equity holders of parent entity		35 731	154 380	36 595	171 233
Net earnings per share (in PLN)					
Basic for the reporting period		0.37	1.61	0.40	1.80
Diluted for the reporting period		0.36	1.55	0.37	1.78
Net earnings per share from continuing operations (in PLN)					
Basic for the reporting period		0.37	1.61	0.40	1.80
Diluted for the reporting period		0.36	1.55	0.37	1.78

* adjusted data

The greatest contribution to CD PROJEKT Capital Group revenues in Q3 2017 was from Revenues from sales of products, including:

a) licensing royalties associated with continuing strong sales of The Witcher 3: Wild Hunt and its expansion packs – Hearts of Stone and Blood and Wine, including the Game of the Year Edition bundle, which was introduced in the third quarter of 2016 and affected revenues in that quarter, which is the comparative period for this financial statement;

b) in-game sales generated by GWENT: The Witcher Card Game, which was made publicly available in the second quarter of 2017 – the period when the Group reported record revenues from microtransactions as well as revenues associated with minimum guarantees from one of the game's foreign distributors.

Revenues from sales of goods and materials were mostly due to sales of external products carried out by GOG.com and also, to a lesser extent, from sales of physical components of the Group's own box sets (carrier media, packaging etc.) by CD PROJEKT RED. Total GOG.com revenues in Q3 2017 were 42% greater than in the corresponding period in 2016, with GWENT: The Witcher Card Game again coming out on top of the revenue generator list.

(all figures quoted in PLN thousands unless stated otherwise)

Costs of products, services, goods and materials comprise own costs of sales for products distributed by GOG.com as well as, to a lesser extent, own costs of sales of box set components (carrier media, packaging etc.) by CD PROJEKT RED.

Regarding current-period costs, the most important item was Selling costs, which comprise the costs of advertising and promotion borne in each of the Group's activity segments; particularly costs associated with global promotion of GWENT where the Group directly carries out most promotional activities and bears the resulting costs (except for China). Another important component of this line item involves costs associated with operating the GOG.com platform. Additionally, selling costs include expenses and provisions for expenses dependent on the Group's financial result, as well as bought-in services which qualify as selling costs. The marked reduction in selling costs compared to previous quarters is due to intentional downscaling of expenses associated with promoting GWENT in the current quarter, as well as due to recognition of a refund agreed upon with one of the Group's foreign clients.

General and administrative expenses mostly concern compensation (including incentive program expenses) and bought-in services which qualify as general and administrative expenses. The reported increase compared to the previous year is due to an upscaling of the Group's activities, additional recruitment and valuation of the incentive program.

The Group's consolidated Net profit for the first three quarters of 2017 was 154 380, which represents 90% of the corresponding 2016 figure (notable for the successful release of Blood and Wine). Regarding the third quarter alone, the net profit was 35 731, i.e. 98% of the Q3 2016 figure (which is when The Witcher 3: Game of the Year Edition release took place). During the third quarter of 2017 profit before tax from sales of The Witcher 3: Wild Hunt and its two expansion packs already exceeded 1 billion PLN.

The Group's net profitability in Q3 2017 (i.e. share of net profit in sales revenues) was 42% (vs. 36% in the comparative period).

Condensed interim consolidated statement of comprehensive income

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09.2016
Net profit (loss)	35 731	154 380	36 595	171 233
Other comprehensive income which will be entered as profit (loss) following fulfillment of specific criteria	(279)	(3 549)	(720)	(297)
Exchange rate differences on valuation of foreign entities	(279)	(3 549)	(720)	(295)
Differences from rounding to PLN thousands	-	-	-	(2)
Other comprehensive income which will not be entered as profit (loss)	-	-	-	-
Total comprehensive income	35 452	150 831	35 875	170 936
Total comprehensive income attributable to minority interests	-	-	-	-
Total comprehensive income attributable to equity holders of CD PROJEKT S.A.	35 452	150 831	35 875	170 936

Condensed interim consolidated statement of financial position

	Note	30.09.2017	30.06.2017	31.12.2016*
FIXED ASSETS		232 351	209 672	170 644
Tangible assets	2	18 829	18 140	14 423
Intangibles	3	46 704	47 626	47 112
Expenditures on development projects	3	116 585	96 967	62 011
Goodwill	3,4	46 417	46 417	46 417
Shares in subsidiaries not subject to consolidation		452	-	-
Other financial assets	12	-	-	194
Deferred income tax assets	8	2 842	-	-
Other long-term receivables		522	522	487
WORKING ASSETS		698 035	692 324	704 316
Inventories	5	501	555	401
Trade receivables	6,12	32 908	78 139	71 554
Current income tax receivables		-	2 483	112
Other receivables	6,12	15 438	14 507	20 268
Other financial assets	12	-	-	53
Prepaid expenses	7	11 165	13 924	14 724
Cash and cash equivalents	12	50 446	85 169	217 369
Bank deposits (maturity beyond 3 months)	12	587 577	497 547	379 835
TOTAL ASSETS		930 386	901 996	874 960

* adjusted data

The value and structure of the Group's Fixed assets did not undergo appreciable changes during the reporting period, except for Expenditures on development projects, whose increase was mainly due to expenses related to future releases, including the Group's largest ongoing projects: Cyberpunk 2077 and GWENT: The Witcher Card Game (as of the publication date of this statement, GWENT is in the public beta phase).

Trade receivables comprise mainly royalties receivables of CD PROJEKT RED segment. The reduction in Trade receivables at the end of September 2017 was mainly due to collection of receivables generated by strong sales in the second quarter of 2017.

The Group's Other receivables comprise mainly income tax receivables appertaining to CD PROJEKT S.A. (tax deducted at source by the Group's foreign clients and reportable in the Group's annual financial statement), advance payments for supplies and VAT receivables.

The aggrregte balance of Cash and cash equivalents and Bank deposits (maturity beyond 3 months) was 638 023 thousand PLN, which represents an increase by 55 307 thousand PLN over the third quarter of 2017.

(all figures quoted in PLN thousands unless stated otherwise)

	Note	30.09.2017	30.06.2017*	31.12.2016*
EQUITY		834 465	796 373	776 938
Equity attributable to shareholders of the parent company		834 465	796 373	776 938
Share capital	16	96 120	96 120	96 120
Supplementary capital		549 335	549 335	403 001
Other reserve capital		12 417	9 777	4 795
Exchange rate differences		369	648	3 918
Retained earnings		21 844	21 844	18 590
Net profit (loss) for the reporting period		154 380	118 649	250 514
Minority interest equity		-	-	-
LONG-TERM LIABILITIES		907	6 476	8 275
Other financial liabilities	12	177	205	76
Deferred income tax liabilities	8	-	5 782	7 198
Deferred revenues		673	432	944
Provisions for employee benefits and similar liabilities	9	57	57	57
SHORT-TERM LIABILITIES		95 014	99 147	89 747
Other financial liabilities	12	205	220	63
Trade liabilities	12	22 067	28 483	27 906
Current income tax liabilities		5 232	1 497	3 762
Other liabilities	11,12	5 484	12 962	9 827
Deferred revenues		2 983	2 689	2 864
Provisions for employee benefits and similar liabilities	9	52	54	294
Other provisions	10	58 991	53 242	45 031
Total equity and liabilities		930 386	901 996	874 960

* adjusted data

Equity increased during the third quarter of 2017 mainly due to current-period profit (35 731 thousand PLN). Regarding the first three quarters of 2017 taken together, the reported increase in equity was mainly due to the surplus of current-period profit (154 380 thousand PLN) over the dividend paid out by CD PROJEKT S.A. in Q2 2017 (100 926 thousand PLN) as a means of allocating profit obtained in 2016.

The reported decrease in Other liabilities was due to settlement of advance payments received from foreign clients in association with GWENT promotion costs, and reduction in tax (VAT, PIT) and social security liabilities.

Other provisions mostly concern provisions which the Group sets aside in association with future liabilities, including provisions for compensation dependent on the Group's financial result, with regard to both the current year and the previous year (payments outstanding as of the balance sheet date).

(all figures quoted in PLN thousands unless stated otherwise)

Condensed interim statement of changes in consolidated equity

	Share capital	Supplementary capital	Other reserve capital	Exchange rate differences	Retained earnings	Net profit (loss) for the reporting period	Equity attributable to shareholders of parent entity	Minority interest equity	Total equity
01.01.2017 – 30.09.2017									
Equity as of 01.01.2017	96 120	403 001	4 795	3 918	269 104	-	776 938	-	776 938
Cost of incentive program	-	-	7 622	-	-	-	7 622	-	7 622
Allocation of net profit/coverage of losses	-	146 334	-	-	(146 334)	-	-	-	-
Dividend payments	-	-	-	-	(100 926)	-	(100 926)	-	(100 926)
Total comprehensive income	-	-	-	(3 549)	-	154 380	150 831	-	150 831
Equity as of 30.09.2017	96 120	549 335	12 417	369	21 844	154 380	834 465	-	834 465

(all figures quoted in PLN thousands unless stated otherwise)

	Share capital	Supplementary capital	Other reserve capital	Exchange rate differences	Retained earnings	Net profit (loss) for the reporting period	Equity attributable to shareholders of parent entity	Minority interest equity	Total equity
01.01.2016 – 30.09.2016									
Equity as of 01.01.2016	94 950	120 199	3 354	2 514	292 658	-	513 675	-	513 675
Registered increase in share capital	870	(870)	-	-	-	-	-	-	-
Cost of incentive program	-	-	3 482	-	-	-	3 482	-	3 482
Payment in own shares	-	7 036	(3 295)	-	-	-	3 741	-	3 741
Allocation of net profit/coverage of losses	-	274 067	-	-	(274 067)	-	-	-	-
Total comprehensive income	-	-	(1)	(295)	(1)	171 233	170 936	-	170 936
Equity as of 30.09.2016	95 820	400 432	3 540	2 219	18 590	171 233	691 834	-	691 834

(all figures quoted in PLN thousands unless stated otherwise)

Condensed interim consolidated statement of cash flows

	Note	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016*	01.01.2016 – 30.09.2016*
OPERATING ACTIVITIES					
Net profit/(loss)		35 731	154 380	36 595	171 233
Total adjustments:	24	40 802	52 084	26 553	41 302
Depreciation of fixed assets and intangibles		1 268	3 619	1 128	3 692
Depreciation of development projects		-	-	-	31 397
Interest and profit sharing (dividends)		(2 180)	(7 222)	(2 178)	(6 148)
Profit (loss) from investment activities		(2)	908	356	379
Change in provisions		5 747	13 718	(40 039)	(30 248)
Change in inventories		54	(100)	(14)	122
Change in receivables		44 355	43 529	36 240	51 267
Change in liabilities excluding credits and loans		(14 135)	(10 337)	29 523	(7 274)
Change in other assets and liabilities		3 294	3 407	(288)	(5 270)
Other adjustments		2 401	4 562	1 825	3 385
Cash flows from operating activities		76 533	206 464	63 148	212 535
Income tax on profit (loss) before taxation		8 728	36 323	9 320	42 213
Income tax (paid)/reimbursed		(11 162)	(44 826)	(13 347)	(55 464)
Net cash flows from operating activities		74 099	197 961	59 121	199 284
INVESTMENT ACTIVITIES					
Inflows		228 784	695 720	164 480	476 222
Liquidation of intangibles and fixed assets		4	63	2	181
Liquidation of financial assets		-	-	-	85
Closing bank deposits (maturity beyond 3 months)		226 600	688 435	162 300	469 808
Other inflows from investment activities		2 180	7 222	2 178	6 148
Outflows		337 111	958 843	487 608	709 663
Purchases of intangibles and fixed assets		2 235	11 008	3 959	9 389
Expenditures on development projects		18 246	51 658	12 214	41 039
Opening bank deposits (maturity beyond 3 months)		316 630	896 177	471 435	659 235
Net cash flows from investment activities		(108 327)	(263 123)	(323 128)	(233 441)

(all figures quoted in PLN thousands unless stated otherwise)

FINANCIAL ACTIVITIES

Inflows	-	-	2 838	3 741
Net inflows from issue of securities (stock) and other equity instruments, and from capital contributions	-	-	2 838	3 741
Outflows	495	101 761	125	484
Increase in share capital of subsidiary company	452	452	-	-
Dividends and other payments due to equity holders	-	100 926	-	-
Payment of liabilities under financial lease agreements	43	383	125	484
Net cash flows from financial activities	(495)	(101 761)	2 713	3 257
Total net cash flows	(34 723)	(166 923)	(261 294)	(30 900)
Change in cash and cash equivalents on balance sheet	(34 723)	(166 923)	(261 294)	(30 900)
Cash and cash equivalents at beginning of period	85 169	217 369	342 023	111 629
Cash and cash equivalents at end of period	50 446	50 446	80 729	80 729

* adjusted data

Regarding Net cash flows from operating activities, in the third quarter of 2017 the Group reported 74 099 thousand PLN in positive cash flows, which is 14 978 thousand PLN more than in the corresponding period in 2016, and 38 368 thousand PLN more than the current-period net profit.

The most significant change to occur in the current quarter involved adjustments associated with the reduction in the Group's receivables (by 44 355 thousand PLN) resulting of collection of some of the receivables previously reported at the end of H1 2017.

The reported negative balance of Net cash flows from investment activities was due to the Group's active surplus cash allocation policy. The aggregate value of bank deposits with maturity periods in excess of 3 months, created during the third quarter and reported as "outflows", was 316 630 thousand PLN, whereas the value of deposits which matured during this period, recognized as "inflows" was 226 600 thousand PLN. Bank deposits with maturity periods in excess of 3 months increased during the third quarter of 2017 by 90 030 thousand PLN (compared to 74 099 thousand PLN positive Net cash flows from operating activities), which mainly caused negative Net cash flows from investment activities. In addition, both of the Group's major subsidiaries (CD PROJEKT S.A. and GOG Poland Sp. z o.o.) incurred Expenditures on development projects, jointly valued at 18 246 thousand PLN and associated with future releases – including two major ongoing projects: Cyberpunk 2077 and GWENT: The Witcher Card Game.

Following the payment of a dividend to CD PROJEKT S.A. shareholders (100 926 thousand PLN, paid out in the second quarter of 2017), the Group reported 101 761 thousand PLN in negative Net cash flows from financial activities.

In the third quarter of the year, the balance of the Group's cash assets (not counting bank deposits with maturity periods beyond 3 months) decreased by 34 723, while the balance of said bank deposits increased by 90 030 thousand PLN. Consequently, the total value of cash assets and bank deposits increased by 55 307 thousand PLN, while the Group spent 18 246 thousand PLN on ongoing development projects. Aggregate net positive cash flows from all of the Group's operations (adjusted for expenditures on development projects and the balance of new/matured bank deposits) amounted to 73 553 thousand PLN, which is over twice as much as the Group's net profit obtained in Q3 2017.

(all figures quoted in PLN thousands unless stated otherwise)

Clarifications regarding the condensed interim consolidated financial statement

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General information

Name:	CD PROJEKT S.A.
Legal status:	Joint-stock company
Registered office:	Jagiellońska 74, 03-301 Warsaw
Country of registration:	Poland
Principal scope of activity:	CD PROJEKT S.A. is the holding company of the CD PROJEKT Capital Group which focuses on videogame development (CD PROJEKT RED) as well as global digital videogame distribution (GOG.com).
Keeper of records:	District Court for the City of Warsaw in Warsaw – Poland; 13th Commercial Department of the National Court Register (Sąd Rejonowy dla m.st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego)
Statistical Identification Number (REGON):	492707333

The Group is established for an unlimited period.

Structure of the Capital Group

Affiliates

CD PROJEKT S.A.

- GOG Ltd.
- GOG Poland Sp. z o.o.
- CD PROJEKT Inc.
- CD PROJEKT Co., Ltd.

Consolidation principles

Entities subjected to consolidation

	capital share	voting share	consolidation method
CD PROJEKT S.A.	parent entity	-	full
GOG Ltd.	100%	100%	full
GOG Poland Sp. z o.o.	100%	100%	full
CD PROJEKT Inc.	100%	100%	full
CD PROJEKT Co., Ltd.	100%	100%	excluded from consolidation

On 26 April 2017 a subsidiary of CD PROJEKT S.A. named CD PROJEKT Co., Ltd. was incorporated in the People's Republic of China, with a registered office in Shanghai (see Note 21 for a description of changes in the Group's composition). This company has been excluded from consolidation due to lack of materiality. In accordance with the accounting policies in force within the Group, the parent entity may elect to exclude certain subsidiaries from consolidation as long as each of these subsidiaries:

- contributes not more than 2% to the parent entity's balance sheet total,
- contributes not more than 1% to the parent entity's aggregate sales and financial revenues.

Note that the above values are not inclusive of any transactions between the subsidiary and the parent company whch would have otherwise been subject to consolidation eliminations.

In addition to the above, all subsidiaries excluded from consolidation must jointly:

- contribute not more than 5% to the parent entity's balance sheet total,
- contribute not more than 2% to the parent entity's aggregate sales and financial revenues.

The above values are also not inclusive of any transactions between each subsidiary and the parent company which would have otherwise been subject to consolidation eliminations.

Subsidiaries

Subsidiaries are defined as all entities which fall under the Group's control. An entity is considered to fall under the Group's control if all of the following criteria are met:

- executive control, i.e. possession of the required legal title to direct the entity's significant operations (operations, which significantly affect the entity's financial standing),
- exposure to variable financial results or possession of the required legal title to adjust the Group's financial results in accordance with the entity's own financial results.
- possession of the required administrative apparatus to affect the Group's own financial results by exercising the right to affect financial results attributable to the Group by leveraging the Group's involvement in the entity

Subsidiaries which meet materiality criteria are subject to full consolidation from the date of acquisition of control by the Group and cease to be reported as such on the day control is lost.

Any revenues, expenses, settlements and unrealized gains on transactions between companies belonging to the Group are eliminated in full. Unrealized losses are also eliminated unless the nature of the transaction indicates impairment on any of the transferred assets. Accounting practices in use at subsidiary companies are adjusted whenever necessary to ensure compliance with accounting practices adopted by the Group.

(all figures quoted in PLN thousands unless stated otherwise)

Basis for the preparation of the condensed interim consolidated financial statement

This condensed interim consolidated financial statement is prepared in compliance with International Accounting Standard 34 (IAS 34), Interim financial reporting, approved for use within the EU.

The condensed interim consolidated financial statement does not contain all the information and disclosures which would be required in an annual financial statement. Accordingly, this statement should be read in conjunction with the Consolidated Financial Statement of the CD PROJEKT Capital Group for 2016, approved for publication on 30 March 2017.

Changes in accounting standards or policies

The accounting practices applied in preparing this condensed interim consolidated financial statement, the Management Board's professional judgment concerning the Group's accounting practices as well as the main sources of uncertainty in estimations are in all material aspects consistent with the practices applied in preparing the Consolidated Financial Statement of the CD PROJEKT Capital Group for 2016, except for presentation-related adjustments described in the section titled "Assumption of comparability of financial statements and changes in accounting policies".

Assumption of going concern

This condensed interim consolidated financial statement is prepared under the assumption that the Group and its parent entity intend to continue as a going concern in the foreseeable future, i.e. at least throughout the 12-month period following the balance sheet date.

The Management Board of the parent entity is not aware of any facts or circumstances which would jeopardize the assumption of going concern within said 12-month period by way of intended or forced cessation or significant reduction of continuing operations.

As of the day of preparation of this financial statement covering the period between 1 January and 30 September 2017 the Management Board is not aware of any events which should have been reflected in the accounts for that period but have not been reflected therein. Additionally, no important events have occurred in relation to the preceding years.

Compliance with International Financial Reporting Standards

This condensed interim consolidated financial statement has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as well as with International Financial Reporting Standards (IFRS) applicable to interim financial reporting, endorsed by the International Accounting Standard Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and approved by the EU under the relevant Regulation on the Application of International Accounting Standards (European Council 1606/2002), hereafter referred to as UE IFRS, valid for 30 September 2017.

UE IFRS comprise standards and interpretations endorsed by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), approved for use in the EU.

Where the above mentioned standards are not applicable the statement conforms to the Accounting Act of 29 September 1994 (Journal of Laws of the Republic of Poland, 2016, item no. 1047 with subsequent changes) and to any secondary legislation based on said Act, as well as to the directive of the Finance Minister of 19 February 2009 regarding the publication of periodic and current reports by issuers of securities (Journal of Laws of the Republic of Poland, 2014, item no. 133).

The Group intends to apply amendments to IFRS which have been published but have not yet entered into force on the publication date of this condensed interim consolidated financial statement. Information regarding standards and interpretations applied for the first time, early application of new standards, standards which have entered into force on or after 1 January 2017 and the effect of changes in IFRS upon the Group's future financial statements is provided in part 2 of the Group's Consolidated Financial Statement for 2016.

Standards and interpretations approved by the IASB but not yet approved by the EU

In approving this financial statement the Group did not apply the following standards, changes in standards and interpretations which have not yet been approved by the EU:

- IFRS 17 Insurance Contracts - applicable to reporting periods beginning on or after 1 January 2021
- IFRIC 22 Foreign currency transactions and advance consideration – interpretation applicable to reporting periods beginning on or after 1 January 2018
- IFRIC 23 Uncertainty over income tax treatments – interpretation applicable to reporting periods beginning on or after 1 January 2019
- Changes in IFRS 2 Share-based payment: classification and recognition of share-based payments – applicable to reporting periods beginning on or after 1 January 2018
- Changes in IFRS 9 Prepayment features with negative compensation – applicable to reporting period beginning on or after 1 January 2019
- Changes in IFRS (2014-2016) adopted under the annual IFRS improvements cycle – applicable to reporting periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate
- Changes in IAS 28 Long-term interests in associates and joint ventures – applicable to reporting periods beginning on or after 1 January 2019
- Changes in IAS 40 Investment property: reclassification of investment properties – applicable to reporting periods beginning on or after 1 January 2018

As of the date of publication of this financial statement, the Company is performing an assessment of the effect these new standards and changes in standards upon the Company's financial statement.

Functional currency and presentation currency

Functional currency and presentation currency

The functional currency of the Group and its parent entity, and the presentation currency of this financial statement is the Polish Zloty (PLN). Unless specified otherwise, all figures are quoted in PLN thousands.

Transactions and balances

Transactions denominated in foreign currencies are converted to the functional currency according to the exchange rate on the date of the transaction. Exchange rate losses and gains on settlement of transactions and on valuation of assets and liabilities denominated in foreign currencies are reported in the profit and loss statement unless deferred in the equity capital as cash flow hedges and hedges of net investments.

Assumption of comparability of financial statements and changes in accounting policies

Changes in accounting policies

The accounting practices applied in preparing this condensed interim consolidated financial statement, the Management Board's professional judgment concerning the Group's accounting practices as well as the main sources of uncertainty in estimations are in all material aspects consistent with the practices applied in preparing the Consolidated Financial Statement of the CD PROJEKT Capital Group for 2016, except for changes in practices and presentation-related adjustments described below. This condensed interim consolidated financial statement should be read in conjunction with the Group's consolidated financial statement for the year ending 31 December 2016.

Presentation changes

In preparing this condensed interim consolidated financial statement for the period between 1 January and 30 September 2017 several changes have been introduced in the presentation of selected financial data. In order to ensure comparability of financial statements, the financial data for the period between 1 July and 30 September 2016 and for the period between 1 January and 30 September 2016, as well as for 31 December 2017 and for 30 June 2017, has been adjusted as follows:

- In the consolidated profit and loss account for the period between 1 July and 30 September 2016, and between 1 January and 30 September 2016, the presentation of administrative expenses has been adjusted as follows:
    - Consolidated profit and loss account for the period between 1 July and 30 September 2016
        - Selling costs – adjusted by (721) thousand PLN
        - General and administrative costs – adjusted by 899 thousand PLN
        - Cost of products and services sold – adjusted by (178) thousand PLN
    - Consolidated profit and loss account for the period between 1 January and 30 September 2016
        - Selling costs – adjusted by (1 780) thousand PLN
        - General and administrative costs – adjusted by 2 315 thousand PLN
        - Cost of products and services sold – adjusted by (535) thousand PLN

    These adjustments have no effect on the Group's financial result or equity.

- In the consolidated profit and loss account for the period between 1 July and 30 September 2016, and between 1 January and 30 September 2016, the presentation of depreciation costs, business travel expenses and bank fees has been adjusted as follows:
    - Consolidated profit and loss account for the period between 1 July and 30 September 2016
        - Selling costs – adjusted by 575 thousand PLN
        - General and administrative costs – adjusted by (575) thousand PLN
    - Consolidated profit and loss account for the period between 1 January and 30 September 2016
        - Selling costs – adjusted by 1 526 thousand PLN
        - General and administrative costs – adjusted by (1 526) thousand PLN

    These adjustments have no effect on the Group's financial result or equity.

- In the consolidated profit and loss account for the period between 1 July and 30 September 2016, and between 1 January and 30 September 2016, the presentation of revenues from sales of Group products by GOG Ltd. has been adjusted as follows:
    - Consolidated profit and loss account for the period between 1 July and 30 September 2016
        - Revenues from sales of products – adjusted by 3 358 thousand PLN
        - Revenues from sales of goods and materials – adjusted by (3 358) thousand PLN
    - Consolidated profit and loss account for the period between 1 January and 30 September 2016
        - Revenues from sales of products – adjusted by 22 981 thousand PLN
        - Revenues from sales of goods and materials – adjusted by (22 981) thousand PLN

    These adjustments have no effect on the Group's financial result or equity.

- In the consolidated statement of financial position for 31 December 2016 the "Other monetary assets" line item was renamed to "Bank deposits (maturity beyond 3 months)".

- In the consolidated statement of financial position for 31 December 2016 and in the consolidated statement of cash flows for the period between 1 July and 30 September 2016 and between 1 January and 30 September 2016 the Company rectified a presentation error concerning short-term bank deposits with maturity periods beyond three months. As a result of this change, the following items have been adjusted:

  - Consolidated statement of financial position for 31 December 2016
    - Bank deposits (maturity beyond 3 months) – adjusted by 339 835 thousand PLN
    - Cash and cash equivalents – adjusted by (339 835) thousand PLN
  - Consolidated statement of cash flows for the period between 1 July and 30 September 2016
    - Opening bank deposits (maturity beyond 3 months) – adjusted by 471 435 thousand PLN
    - Closing bank deposits (maturity beyond 3 months) – adjusted by 162 300 thousand PLN
    - Cash and cash equivalents at beginning of period – adjusted by (162 300) thousand PLN
    - Cash and cash equivalents at end of period – adjusted by (471 435) thousand PLN
  - Consolidated statement of cash flows for the period between 1 January and 30 September 2016
    - Opening bank deposits (maturity beyond 3 months) – adjusted by 659 235 thousand PLN
    - Closing bank deposits (maturity beyond 3 months) – adjusted by 469 808 thousand PLN
    - Cash and cash equivalents at beginning of period – adjusted by (282 008) thousand PLN
    - Cash and cash equivalents at end of period – adjusted by (471 435) thousand PLN

  These adjustments have no effect on the Group's financial result or equity.

- In the consolidated statement of financial position for 31 December 2016 and for 30 June 2017 the presentation of compensation of Management Board members has been adjusted as follows:

  - Consolidated statement of financial position for 31 December 2016
    - Other liabilities – adjusted by 65 thousand PLN
    - Trade liabilities – adjusted by (65) thousand PLN
  - Consolidated statement of financial position for 30 June 2017
    - Other liabilities – adjusted by 86 thousand PLN
    - Trade liabilities – adjusted by (86) thousand PLN

  These adjustments have no effect on the Group's financial result or equity.

- In the consolidated statement of cash flows for the period between 1 July and 30 September 2016 and between 1 January and 30 September 2016 the presentation of videogame development expenses incurred prior to commencement of sales has been adjusted as follows:

  - Consolidated statement of cash flows for the period between 1 July and 30 September 2016
    - Depreciation of fixed assets and intangibles – adjusted by (136) thousand PLN
    - Other adjustments – adjusted by 77 thousand PLN
    - Expenditures on development projects – adjusted by (59) thousand PLN
  - Consolidated statement of cash flows for the period between 1 January and 30 September 2016
    - Depreciation of fixed assets and intangibles – adjusted by (294) thousand PLN
    - Other adjustments – adjusted by 161 thousand PLN
    - Expenditures on development projects – adjusted by (133) thousand PLN

  These adjustments have no effect on the Group's financial result or equity.

- In the consolidated statement of cash flows for the period between 1 July and 30 September 2016 and between 1 January and 30 September 2016 the presentation of liabilities associated with purchases of fixed assets and intangibles has been adjusted as follows:
  - Consolidated statement of cash flows for the period between 1 July and 30 September 2016
    - Purchases of intangibles and fixed assets – adjusted by 1 410 thousand PLN
    - Changes in provisions except credits and loans – adjusted by 1 410 thousand PLN
  - Consolidated statement of cash flows for the period between 1 January and 30 September 2016
    - Purchases of intangibles and fixed assets – adjusted by (182) thousand PLN
    - Changes in provisions except credits and loans – adjusted by (182) thousand PLN.
- In the consolidated statement of cash flows for the period between 1 July and 30 September 2016 the presentation of revenues from sales of fixed assets has been adjusted as follows:
    - Profit (loss) from investment activities – adjusted by (126) thousand PLN
    - Sales of intangibles and fixed assets – adjusted by 126 thousand PLN.

Financial audit

This condensed interim consolidated financial statement with elements of the condensed interim separate financial statement has not been reviewed by an independent auditor.

Supplementary information – CD PROJEKT Capital Group activity segments

3

Activity segments

Presentation of results by activity segment

The scope of financial disclosures in relation to each of the Group's activity segments is regulated by IFRS 8. For each segment the result is based on net profit.

Description of changes in the differentiation of activity segments, or of the assessment of per-segment profit or loss compared to the most recent annual consolidated financial statement

Compared to the consolidated financial statements for 2016 and for earlier years, the Group has decided to discontinue separate presentation of the "Other activities" segment. All activities represented by this segment have been folded into the CD PROJEKT RED segment. The "Other activities" segment had previously comprised the activities of the Invest department, which, together with CD PROJEKT RED, belonged to CD PROJEKT S.A. and provided services to other members of the Group in relation to corporate oversight, financial supervision, accounting, HR and payroll, legal and fiscal advice, and investor relations. As of the publication date of this statement, given the overall reduction in the number of distinct activity segments comprising the group (resulting from sale of shares in cdp.pl sp. z o.o.) along with continued dynamic growth of the CD PROJEKT RED segment, the Management Board has decided that disaggregation of the "Other activites" segment, which primarily serves the CD PROJEKT RED segment, would not carry any added value for readers of the Group's financial statement. The resulting change has no impact on the aggregate financial results of both segments, except for consolidation eliminations.

Disclosure of activity segments

	Continuing operations		Consolidation eliminations (incl. from business combinations)	Total
	CD PROJEKT RED	GOG.com		
01.07.2017 – 30.09.2017				
Sales revenues	58 000	33 415	(6 526)	84 889
sales to external clients	51 474	33 415	-	84 889
sales between segments	6 526	-	(6 526)	-
Segment profit/(loss)	33 800	1 931	-	35 731

	Continuing operations		Consolidation eliminations (incl. from business combinations)	Total
	CD PROJEKT RED	GOG.com		
01.01.2017 – 30.09.2017				
Sales revenues	242 837	129 146	(32 412)	339 571
sales to external clients	210 425	129 146	-	339 571
sales between segments	32 412	-	(32 412)	-
Segment profit/(loss)	139 881	14 499	-	154 380

	Continuing operations		Consolidation eliminations (incl. from business combinations)	Total
	CD PROJEKT RED	GOG.com		
01.07.2016 – 30.09.2016				
Sales revenues	80 580	23 605	(3 282)	100 903
sales to external clients	77 303	23 600	-	100 903
sales between segments	3 277	5	(3 282)	-
Segment profit/(loss)	39 968	536	(3 909)	36 595

	Continuing operations		Consolidation eliminations (incl. from business combinations)	Total
	CD PROJEKT RED	GOG.com		
01.01.2016 – 30.09.2016*				
Sales revenues	347 046	92 797	(20 040)	419 803
sales to external clients	327 011	92 792	-	419 803
sales between segments	20 035	5	(20 040)	-
Segment profit/(loss)	169 540	5 602	(3 909)	171 233

* Changes with respect to data published on 9 November 2016 in the consolidated financial statement of the CD PROJEKT Capital Group for the period between 1 July and 30 September 2016 result from presentation-related adjustments described in the section titled *"Assumption of comparability of financial statements and changes in accounting policies"*.

(all figures quoted in PLN thousands unless stated otherwise)

Segmented consolidated profit and loss account for the period between 01.07.2017 and 30.09.2017

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
Sales revenues	58 000	33 415	(6 526)	84 889
Revenues from sales of products	55 004	1 767	2 316	59 087
Revenues from sales of services	1 032	-	(1 002)	30
Revenues from sales of goods and materials	1 964	31 648	(7 840)	25 772
Cost of products, goods and materials sold	2 621	22 120	(5 908)	18 833
Cost of products and services sold	787	-	(384)	403
Value of goods and materials sold	1 834	22 120	(5 524)	18 430
Gross profit (loss) from sales	55 379	11 295	(618)	66 056
Other operating revenues	1 793	72	(514)	1 351
Selling costs	8 592	7 507	(564)	15 535
General and adminitrative costs	6 207	1 485	(54)	7 638
Other operating expenses	1 468	110	(514)	1 064
Operating profit (loss)	40 905	2 265	-	43 170
Financial revenues	2 172	46	(31)	2 187
Financial expenses	908	21	(31)	898
Profit (loss) before taxation	42 169	2 290	-	44 459
Income tax	8 369	359	-	8 728
Profit (loss) from continuing operations	33 800	1 931	-	35 731
Net profit (loss)	33 800	1 931	-	35 731
Net profit (loss) attributable to noncontrolling interests	-	-	-	-
Net profit (loss) attributable to equity holders of the parent entity	33 800	1 931	-	35 731

(all figures quoted in PLN thousands unless stated otherwise)

Segmented consolidated profit and loss account for the period between 01.01.2017 and 30.09.2017

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
Sales revenues	242 837	129 146	(32 412)	339 571
Revenues from sales of products	234 674	11 486	12 423	258 583
Revenues from sales of services	3 289	-	(3 191)	98
Revenues from sales of goods and materials	4 874	117 660	(41 644)	80 890
Cost of products, goods and materials sold	9 695	80 707	(33 464)	56 938
Cost of products and services sold	5 134	-	(4 243)	891
Value of goods and materials sold	4 561	80 707	(29 221)	56 047
Gross profit (loss) from sales	233 142	48 439	1 052	282 633
Other operating revenues	4 523	289	(868)	3 944
Selling costs	45 058	27 587	1 178	73 823
General and adminitrative costs	19 730	4 573	(126)	24 177
Other operating expenses	2 925	294	(868)	2 351
Operating profit (loss)	169 952	16 274	-	186 226
Financial revenues	7 598	428	(378)	7 648
Financial expenses	3 515	34	(378)	3 171
Profit (loss) before taxation	174 035	16 668	-	190 703
Income tax	34 154	2 169	-	36 323
Profit (loss) from continuing operations	139 881	14 499	-	154 380
Net profit (loss)	139 881	14 499	-	154 380
Net profit (loss) attributable to noncontrolling interests	-	-	-	-
Net profit (loss) attributable to equity holders of the parent entity	139 881	14 499	-	154 380

(all figures quoted in PLN thousands unless stated otherwise)

CD PROJEKT

Segmented consolidated profit and loss account for the period between 01.07.2016 and 30.09.2016

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
Sales revenues	80 580	23 605	(3 282)	100 903
Revenues from sales of products	74 850	11	915	75 776
Revenues from sales of services	890	-	(839)	51
Revenues from sales of goods and materials	4 840	23 594	(3 358)	25 076
Cost of products, goods and materials sold	5 341	16 046	(2 871)	18 516
Cost of products and services sold	563	-	(429)	134
Value of goods and materials sold	4 778	16 046	(2 442)	18 382
Gross profit (loss) from sales	75 239	7 559	(411)	82 387
Other operating revenues	1 456	73	(296)	1 233
Selling costs	24 982	5 892	781	31 655
General and adminitrative costs	6 108	1 010	(1 159)	5 959
Other operating expenses	1 391	69	(296)	1 164
Operating profit (loss)	44 214	661	(33)	44 842
Financial revenues	6 740	4	(3 885)	2 859
Financial expenses	1 759	36	(9)	1 786
Profit (loss) before taxation	49 195	629	(3 909)	45 915
Income tax	9 227	93	-	9 320
Profit (loss) from continuing operations	39 968	536	(3 909)	36 595
Net profit (loss)	39 968	536	(3 909)	36 595
Net profit (loss) attributable to noncontrolling interests	-	-	-	-
Net profit (loss) attributable to equity holders of the parent entity	39 968	536	(3 909)	36 595

(all figures quoted in PLN thousands unless stated otherwise)

Segmented consolidated profit and loss account for the period between 01.01.2016 and 30.09.2016

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
Sales revenues	347 046	92 797	(20 040)	419 803
Revenues from sales of products	328 835	29	5 740	334 604
Revenues from sales of services	2 983	-	(2 797)	186
Revenues from sales of goods and materials	15 228	92 768	(22 983)	85 013
Cost of products, goods and materials sold	48 282	63 548	(18 454)	93 376
Cost of products and services sold	33 610	-	(1 213)	32 397
Value of goods and materials sold	14 672	63 548	(17 241)	60 979
Gross profit (loss) from sales	298 764	29 249	(1 586)	326 427
Other operating revenues	2 274	425	(636)	2 063
Selling costs	83 043	19 370	(573)	101 840
General and adminitrative costs	14 567	3 269	(981)	16 855
Other operating expenses	2 134	352	(636)	1 850
Operating profit (loss)	201 294	6 683	(32)	207 945
Financial revenues	11 515	10	(3 901)	7 624
Financial expenses	1 928	219	(24)	2 123
Profit (loss) before taxation	210 881	6 474	(3 909)	213 446
Income tax	41 341	872	-	42 213
Profit (loss) from continuing operations	169 540	5 602	(3 909)	171 233
Net profit (loss)	169 540	5 602	(3 909)	171 233
Net profit (loss) attributable to noncontrolling interests	-	-	-	-
Net profit (loss) attributable to equity holders of the parent entity	169 540	5 602	(3 909)	171 233

(all figures quoted in PLN thousands unless stated otherwise)

Segmented consolidated statement of financial position as of 30.09.2017

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
FIXED ASSETS	235 240	11 598	(14 487)	232 351
Tangible assets	15 754	3 075	-	18 829
Intangible assets	44 944	1 760	-	46 704
Expenditures on development projects	110 152	6 433	-	116 585
Goodwill	46 417	-	-	46 417
Investments in subsidiaries	14 487	-	(14 487)	-
Shares in subsidiaries not subject to consolidation	452	-	-	452
Deferred income tax assets	2 543	299	-	2 842
Other long-term receivables	491	31	-	522
WORKING ASSETS	647 172	58 737	(7 874)	698 035
Inventories	501	-	-	501
Trade receivables	31 353	4 451	(2 896)	32 908
Other receivables	17 699	2 717	(4 978)	15 438
Prepaid expenses	1 570	9 595	-	11 165
Cash and cash equivalents	8 472	41 974	-	50 446
Bank deposits (maturity beyond 3 months)	587 577	-	-	587 577
TOTAL ASSETS	882 412	70 335	(22 361)	930 386

(all figures quoted in PLN thousands unless stated otherwise)

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
EQUITY	810 826	38 127	(14 488)	834 465
Equity attributable to shareholders of the parent company	810 826	38 127	(14 488)	834 465
Share capital	96 120	136	(136)	96 120
Supplementary capital	550 780	3 227	(4 672)	549 335
Other reserve capital	12 417	799	(799)	12 417
Exchange rate differences on valuation of foreign entities	(49)	(52)	470	369
Retained earnings	11 677	19 518	(9 351)	21 844
Net profit (loss) for the reporting period	139 881	14 499	-	154 380
Noncontrolling interest equity	-	-	-	-
LONG-TERM LIABILITIES	900	7	-	907
Other financial liabilities	177	-	-	177
Deferred revenues	668	5	-	673
Provisions for employee benefits and similar liabilities	55	2	-	57
SHORT-TERM LIABILITIES	70 686	32 201	(7 873)	95 014
Other financial liabilities	205	-	-	205
Trade liabilities	5 659	19 303	(2 895)	22 067
Liabilities from current income tax	4 103	1 129	-	5 232
Other liabilities	3 366	7 096	(4 978)	5 484
Deferred revenues	585	2 398	-	2 983
Provisions for retirement benefits and similar liabilities	52	-	-	52
Other provisions	56 716	2 275	-	58 991
Total equity and liabilities	882 412	70 335	(22 361)	930 386

(all figures quoted in PLN thousands unless stated otherwise)

Segmented consolidated statement of financial position as of 30.06.2017

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
FIXED ASSETS	213 948	9 942	(14 218)	209 672
Tangible assets	15 132	3 008	-	18 140
Intangible assets	45 391	2 235	-	47 626
Expenditures on development projects	92 300	4 667	-	96 967
Goodwill	46 417	-	-	46 417
Investments in subsidiaries	14 218	-	(14 218)	-
Other long-term receivables	490	32	-	522
WORKING ASSETS	639 952	71 095	(18 723)	692 324
Inventories	555	-	-	555
Trade receivables	83 290	3 477	(8 628)	78 139
Current income tax receivables	2 374	109	-	2 483
Other receivables	19 043	5 559	(10 095)	14 507
Prepaid expenses	1 657	12 267	-	13 924
Cash and cash equivalents	35 486	49 683	-	85 169
Bank deposits (maturity beyond 3 months)	497 547	-	-	497 547
TOTAL ASSETS	853 900	81 037	(32 941)	901 996

(all figures quoted in PLN thousands unless stated otherwise)

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
EQUITY	774 400	36 191	(14 218)	796 373
Equity attributable to shareholders of the parent company	774 400	36 191	(14 218)	796 373
Share capital	96 120	136	(136)	96 120
Supplementary capital	550 780	3 227	(4 672)	549 335
Other reserve capital	9 776	530	(529)	9 777
Exchange rate differences on valuation of foreign entities	(34)	212	470	648
Retained earnings	11 677	19 518	(9 351)	21 844
Net profit (loss) for the reporting period	106 081	12 568	-	118 649
Noncontrolling interest equity	-	-	-	-
LONG-TERM LIABILITIES	6 319	157	-	6 476
Other financial liabilities	205	-	-	205
Deferred income tax liabilities	5 633	149	-	5 782
Deferred revenues	427	5	-	432
Provisions for employee benefits and similar liabilities	54	3	-	57
SHORT-TERM LIABILITIES	73 181	44 689	(18 723)	99 147
Other financial liabilities	220	-	-	220
Trade liabilities	8 532	28 579	(8 628)	28 483
Liabilities from current income tax	18	1 479	-	1 497
Other liabilities	12 418	10 639	(10 095)	12 962
Deferred revenues	789	1 900	-	2 689
Provisions for retirement benefits and similar liabilities	52	2	-	54
Other provisions	51 152	2 090	-	53 242
Total equity and liabilities	853 900	81 037	(32 941)	901 996

(all figures quoted in PLN thousands unless stated otherwise)

Segmented consolidated statement of financial position as of 31.12.2016

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
FIXED ASSETS	176 047	8 483	(13 886)	170 644
Tangible assets	11 551	2 872	-	14 423
Intangible assets	43 660	3 452	-	47 112
Expenditures on development projects	60 050	1 961	-	62 011
Goodwill	46 417	-	-	46 417
Investments in subsidiaries	13 688	-	(13 688)	-
Other financial assets	194	-	-	194
Deferred income tax assets	-	198	(198)	-
Other long-term receivables	487	-	-	487
WORKING ASSETS	658 721	56 558	(10 963)	704 316
Inventories	401	-	-	401
Trade receivables	73 654	3 904	(6 004)	71 554
Current income tax receivables	-	112	-	112
Other receivables	22 769	2 532	(5 033)	20 268
Other financial assets	53	-	-	53
Prepaid expenses	1 012	13 712	-	14 724
Cash and cash equivalents	180 997	36 298	74	217 369
Bank deposits (maturity beyond 3 months)	379 835	-	-	379 835
TOTAL ASSETS	834 768	65 041	(24 849)	874 960

(all figures quoted in PLN thousands unless stated otherwise)

	CD PROJEKT RED	GOG.com	Consolidation eliminations (incl. from business combinations)	Total
EQUITY	764 350	26 276	(13 688)	776 938
Equity attributable to shareholders of the parent company	764 350	26 276	(13 688)	776 938
Share capital	96 120	136	(136)	96 120
Supplementary capital	402 004	5 669	(4 672)	403 001
Other reserve capital	4 271	524	-	4 795
Exchange rate differences on valuation of foreign entities	54	3 394	470	3 918
Retained earnings	12 325	11 742	(5 477)	18 590
Net profit (loss) for the reporting period	249 576	4 811	(3 873)	250 514
Noncontrolling interest equity	-	-	-	-
LONG-TERM LIABILITIES	8 464	9	(198)	8 275
Other financial liabilities	76	-	-	76
Deferred income tax liabilities	7 396	-	(198)	7 198
Deferred revenues	937	7	-	944
Provisions for employee benefits and similar liabilities	55	2	-	57
SHORT-TERM LIABILITIES	61 954	38 756	(10 963)	89 747
Other financial liabilities	63	-	-	63
Trade liabilities	5 705	28 131	(5 930)	27 906
Liabilities from current income tax	3 678	84	-	3 762
Other liabilities	8 240	6 620	(5 033)	9 827
Deferred revenues	587	2 277	-	2 864
Provisions for retirement benefits and similar liabilities	182	112	-	294
Other provisions	43 499	1 532	-	45 031
Total equity and liabilities	834 768	65 041	(24 849)	874 960

(all figures quoted in PLN thousands unless stated otherwise)

Disclosure of the issuer's significant accomplishments and shortcomings in each activity segment in the third quarter of 2017

The Group conducts business activities in two segments: CD PROJEKT RED and GOG.com.

CD PROJEKT RED

In the third quarter of 2017 CD PROJEKT RED continued with the development of Cyberpunk 2077 and GWENT: The Witcher Card Game while actively organizing marketing events to support GWENT.

GWENT – product development

Additional changes to GWENT: The Witcher Card Game were rolled out in the third quarter of 2017. The gameplay improvements introduced in July streamline matchmaking and ensure more evenly matched duels. The subsequent update, released in late August, focused on community and social features, including player profiles, news and notification mechanisms. This update also introduced 30 new cards and a special starter pack available from the store (including a guaranteed legendary card, 10 card kegs and Meteorite Dust used to create animated cards). From the e-sports point of view, an important enhancement was the addition of a new gameplay mode – Pro Ladder, which ties in with the GWENT Masters series. The first Pro Ladder season commenced on 7 September 2017.

On 28 August 2017, having secured the necessary official permits, CD PROJEKT RED launched its GWENT closed beta campaign in the People's Republic of China.

GWENT – marketing events

Between 22 and 26 August 2017 GWENT was showcased at one of the largest gaming fairs in the world – Gamescom in Cologne. For the first time ever, CD PROJEKT RED presented GWENT: Thronebreaker, a single-player campaign. The company also unveiled its e-sports strategy: the GWENT Master series.

Visitors to the fair could play GWENT at 24 stands set up in the public sector, and participate in several community events. On 25 August, a GWENT Open qualifying round was organized on a specially prepared CD PROJEKT stage. Ellas "Shaggy" Sagmeister secured the wildcard entry and later went on to win the entire tournament. The total prize pool in this first ever GWENT tournament was 25 thousand USD.

In the business sector of the fair, more than 900 media representatives and business partners attended presentations of GWENT: Thronebreaker and GWENT Masters. GWENT was also featured by the Company's partners (IGN, Twitch, Xbox and Alienware) at their respective stands.

In order to make GWENT approachable to newcomers and encourage them to take part in the game, in the third quarter of 2017 CD PROJEKT initiated a series of social media webcasts, debuting on 16 August with the first episode of "A Round of GWENT". This program features invited speakers who discuss latest events associated with the game. Four days later the first episode of "Play of the Month" was published, focusing on the best GWENT plays to have occurred during a given month. Up until the publication date of this statement, three episodes of "A Round of GWENT" and two episodes of "Play of the Month" have been published. All media content can be found at www.playgwent.com.

10th anniversary of the first The Witcher game

On 3 September, at PAX West in Seattle, the Company held a special discussion panel, celebrating the 10th anniversary of the release of its first game featuring the adventures of Geralt of Rivia. During this event CD PROJEKT RED reminisced about the birth of The Witcher trilogy and the challenges faced while working on The Witcher games.

GOG.com

New games in catalogue

In the third quarter of the year the GOG.com catalogue was expanded with Divinity: Original Sin 2 – a continuation of the RPG Divinity series from Larian Studios, a new game by the British developer Ninja Theory – Hellblade: Senua's Sacrifice, and two indie releases: Cuphead and HOB.

In addition to new releases, the Company also secured distribution rights for classic games, including The Suffering and The Suffering: Ties that Bind (available exclusively on GOG.com), Gauntlet: Slayer Edition, Quake 4, DOOM 3, Furi and the Sudden Strike trilogy, all updated to work on modern operating systems.

Gamers from around the world can now choose from nearly 2200 titles available in the GOG.com catalogue.

Sales support

In addition to recurring weekly sales, two large-scale marketing activities were carried out during the third quarter of 2017. Mid-August saw the return of the popular Piñata Madness event, with surprise games available for purchase. This was followed in September by the Big Deal Sale, with more than 200 titles offered at discount prices.

On 24 October 2017 GOG.com launched the seventh language version of its platform – this time in Polish.

Disclosure of factors which may affect future Group results

In the final quarter of 2017 and on into 2018 the CD PROJEKT Capital Group intends to carry on parallel activities in its two basic segments: CD PROJEKT RED and GOG.com. Specific vectors of development are laid out in the Strategy of the CD PROJEKT Capital Group for 2016-2021, announced in March 2016 and available on the Company website at https://www.cdprojekt.com/en/capital-group/strategy/.

Further growth of the Capital Group will be affected by progress on the development of GWENT: The Witcher Card Game. By the end of 2017 the Company intends to publish an update which will upgrade the game's underlying technologies in preparation to the project's future advanced requirements. The expected result will be to stabilize existing GFX and gameplay solutions, and also to apply new solutions, with particular focus on new RPG elements of the game's single-player campaign: GWENT: Thronebreaker.

In recognizing the strong potential of in-game storytelling, the Company has decided to pursue additional single-player gameplay modes for GWENT. Additionally, in the Company's opinion, publishing GWENT: Thronebreaker at the apex of its marketing campaign and during the expected period of peak user activity, i.e. during the next year, should translate into increased gamer interest and, consequently, increased sales.

In order to continually animate the community the Company is in the process of setting up an internal live ops department, tasked with regularly launching new GWENT events, both in-game and external (e.g. on websites). Most of these events will be co-organized with the marketing department. Successful rollout of community features and new in-game player retention mechanisms may, in the coming quarters, result in increased interest in GWENT on the part of gamers. Equally important will be skillful handling of the game's marketing campaign.

An important factor which will contribute to the Capital Group's financial result in future quarters will be further development of GWENT in China. The game was initially made available to Chinese gamers on 28 August as a closed beta. Proceeding with further stages of the game's development in China and following up with a successful marketing campaign will determine the commercial success and, consequently, the prospects of monetization of GWENT in this country.

Another factor affecting Group results is the popular interest in GWENT progaming within the GWENT Masters series, scheduled to culminate in January 2019. The engagement of CD PROJEKT S.A. in large-scale e-sports activities may positively affect the game's popularity, recognition and revenues from in-game microtransactions, however it will also generate costs associated with organizing and promoting tournaments.

Given the fact that GOG.com growth dynamics are dependent on the activity of existing users along with the platform's ability to attract new users by offering appealing products, future growth in this segment in the final quarter of 2017 and throughout 2018 will depend on the Company's success in securing access to new releases from the world's leading publishers and developers, and also on further expansion of the service's activities on its existing markets. As of the publication date of this statement GOG.com is available in seven language versions and supports payments in thirteen currencies.

In April 2017 GOG.com released an updated version of its GOG Galaxy technology, enabling, among others, unhindered online multiplayer gameplay. Interest in GOG Galaxy on the part of videogame developers and publishers may translate into an increased number of games requiring this technology, consequently increasing future revenues of the segment. In addition, equipping additional videogames with multiplayer features powered by GOG Galaxy may entice users to purchase other products from the rich GOG.com catalogue.

GOG.com financial results, along with the segment's capability to garner unique skills and experience, and to fully exploit its technological solutions, will be affected by the involvement of GOG sp. z o.o. in the GWENT project consortium, where GOG is responsible for networking features and user support. Consequently, a portion of the game's development costs and revenues is attributable to GOG.com. The success of GWENT will contribute to broader recognition of the GOG.com brand, allowing the Company to reach more potential customers around the world.

Another specific factor which may affect the financial standing of CD PROJEKT S.A. is the outcome of the Company's lawsuit against the State Treasury. A favorable judgment in this case would entitle the Company to collect substantial damages.

Disclosure of seasonal or cyclical activities

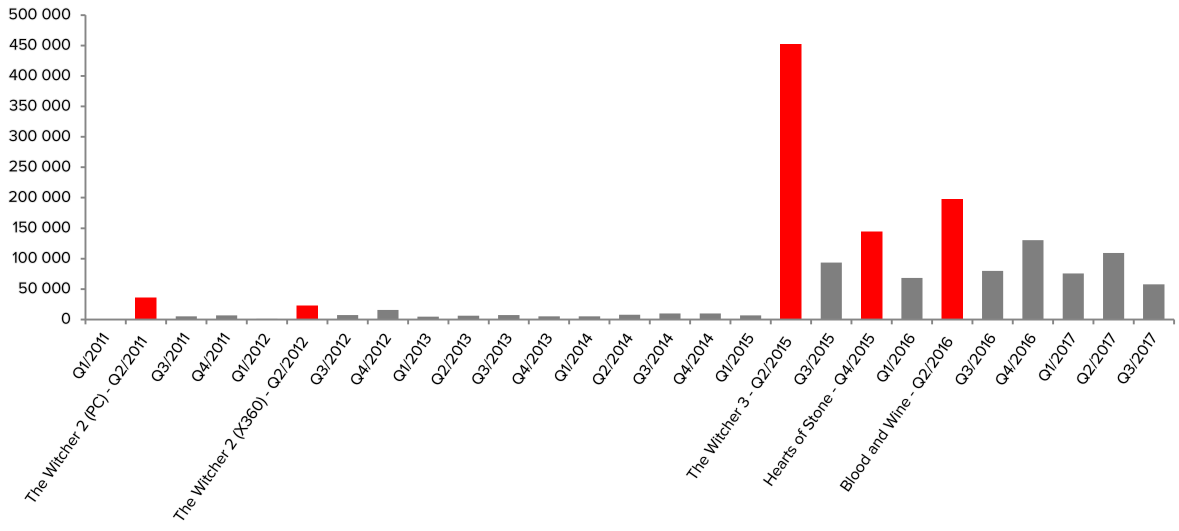
CD PROJEKT RED

CD PROJEKT RED usually takes between 2 and 4 years to produce a game. Initial development work occurs before the previous game in the series is complete and ready to be released. The Witcher 2 debuted on the PC in May 2011 while the Xbox 360 edition was released on 17 April 2012. The release of CD PROJEKT RED's newest game – The Witcher 3: Wild Hunt – took place on 19 May 2015. Sales of the base game were bolstered by two expansion packs: Hearts of Stone and Blood and Wine. On 30 August 2016 The Witcher 3: Wild Hunt was released as a Game of the Year Edition bundle, consisting of the base game, both expansion packs and all existing DLC content.

GWENT – The Witcher Card Game (currently under development) is conceived as a "game as a service" where the scope of development, resources committed to the project and future sales revenues depend on the popularity of the service. The game will be offered under a "free to play" license, with optional microtransactions.

CD PROJEKT RED is also continuing with its work on Cyberpunk 2077 – the largest development project in the Company's history.

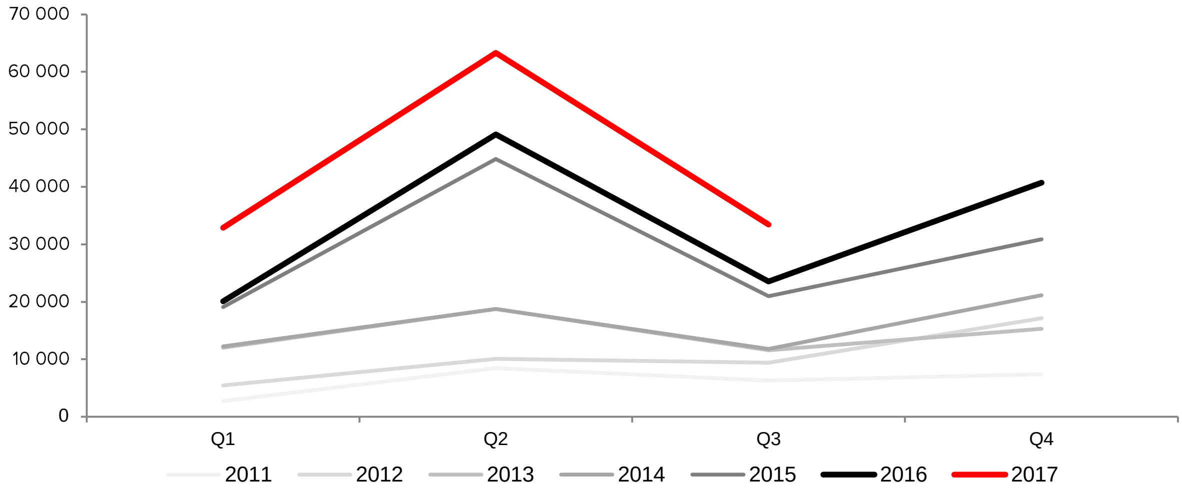
Figure 1 Effect of new releases on CD PROJEKT RED quarterly sales revenues (PLN thousands).



GOG.com

The digital videogame distribution market, which is the main area of activity of GOG.com, is characterized by seasonal fluctuations in revenues. On an annual basis, the highest revenues are typically obtained in the fourth quarter while the lowest revenues correspond to the third quarter. Sales in Q2 and Q4 are boosted by promotional activities organized in these periods. Ultimately, however, sales volume is primarily dependent on the release schedule.

Figure 2 Quarterly revenues from GOG.com sales to external clients, 2011-2017 (PLN thousands)



GOG.com third-quarter revenues were mostly affected by in-game sales associated with GWENT: The Witcher Card Game.

Disclosure of key clients

The CD PROJEKT Capital Group collaborates with external clients whose share in the Group's consolidated revenues exceeds 10%.

Within the CD PROJEKT RED activity segment trade activities carried out by CD PROJEKT S.A. in collaboration with one client throughout the first three quarters of 2017 generated sales revenues exceeding 10% of the Group's consolidated sales revenues – specifically, 76 495 thousand PLN, which represents 22.5% of the Group's consolidated sales revenues.

The aforementioned client is not affiliated with CD PROJEKT S.A. or any of its subsidiaries. In other activity segments no single client accounted for more than 10% of the Group's consolidated sales revenues.

CD PROJEKT

Supplementary information – additional notes and explanations concerning the condensed interim consolidated financial statement

4

Note 1. Description of circumstances affecting assets, liabilities, equity, net financial result and cash flows which are unusual due to their type, size or effect

The Group's financial result, assets, liabilities, equity and cash flows in the reporting period were dominated by continuing sales of The Witcher 3: Wild Hunt, its two expansion packs (Hearts of Stone and Blood and Wine), revenues obtained in association with GWENT: The Witcher Card Game, as well as ongoing work on future CD PROJEKT RED releases.

No circumstances affecting assets, liabilities, equity, net financial result and cash flows which would be unusual due to their type, size or effect occurred during the reporting period.

Note 2. Tangible fixed assets

Changes in fixed assets (by category) between 01.01.2017 and 30.09.2017

	Buildings and structures	Machinery and equipment	Vehicles	Other fixed assets	Fixed assets under construction	Total
Gross carrying amount as of 01.01.2017	6 559	16 062	1 537	1 134	1 860	27 152
Increases from:	5 999	3 582	625	686	2 929	13 821
purchases	1 578	3 433	-	363	2 929	8 303
lease agreements	-	-	625	-	-	625
reassignment from fixed assets under construction	4 421	33	-	313	-	4 767
reclassification	-	68	-	10	-	78
acquisition free of charge	-	35	-	-	-	35
others	-	13	-	-	-	13
Reductions from:	5	138	126	113	4 767	5 149
sales	5	8	126	-	-	139
liquidation	-	12	-	-	-	12
reassignment from fixed assets under construction	-	-	-	-	4 767	4 767
reclassification	-	63	-	14	-	77
others	-	55	-	99	-	154
Gross carrying amount as of 30.09.2017	12 553	19 506	2 036	1 707	22	35 824
Depreciation as of 01.01.2017	2 153	9 285	771	520	-	12 729
Increases from:	744	3 050	280	450	-	4 524
depreciation	744	2 992	280	440	-	4 456
reclassification	-	58	-	10	-	68
Reductions from:	1	101	115	41	-	258
sales	1	7	115	-	-	123
liquidation	-	12	-	-	-	12
reclassification	-	58	-	9	-	67
others	-	24	-	32	-	56
Depreciation as of 30.09.2017	2 896	12 234	936	929	-	16 995
Impairment write-downs as of 01.01.2017	-	-	-	-	-	-
Impairment write-downs as of 30.09.2017	-	-	-	-	-	-
Net carrying amount as of 30.09.2017	9 657	7 272	1 100	778	22	18 829

(all figures quoted in PLN thousands unless stated otherwise)

Contractual commitments for future acquisition of fixed assets

	30.09.2017	30.06.2017	31.12.2016
Leasing of passenger cars	784	833	284
Total	784	833	284

Note 3. Intangibles and R&D expenses

Changes in intangibles between 01.01.2017 and 30.09.2017

	Development projects in progress	Development projects completed	Trademarks	Patents and licenses	Copyrights	Computer software	Goodwill	Intangibles under construction	Others	Total
Gross carrying amount as of 01.01.2017	62 011	162 155	32 199	1 496	6 624	22 185	46 417	51	1	333 139
Increases from:	55 317	-	-	59	-	2 800	-	-	-	58 176
purchases	-	-	-	59	-	2 800	-	-	-	2 859
own creation	55 317	-	-	-	-	-	-	-	-	55 317
Reductions from:	743	-	-	79	-	771	-	7	-	1 600
liquidation	743	-	-	-	-	-	-	-	-	743
others	-	-	-	79	-	771	-	-	-	857
Gross carrying amount as of 30.09.2017	116 585	162 155	32 199	1 476	6 624	24 214	46 417	44	1	389 715
Depreciation as of 01.01.2017	-	162 155	-	500	33	14 910	-	-	1	177 599
Increases from:	-	-	-	165	-	2 719	-	-	-	2 884
depreciation	-	-	-	165	-	2 719	-	-	-	2 884
Reductions from:	-	-	-	5	-	469	-	-	-	474
others	-	-	-	5	-	469	-	-	-	474
Depreciation as of 30.09.2017	-	162 155	-	660	33	17 160	-	-	1	180 009
Impairment write-downs as of 01.01.2017	-	-	-	-	-	-	-	-	-	-
Impairment write-downs as of 30.09.2017	-	-	-	-	-	-	-	-	-	-
Net carrying amount as of 30.09.2017	116 585	-	32 199	816	6 591	7 054	46 417	44	-	209 706

Contractual commitments for future acquisition of intangibles

Not applicable.

Note 4. Goodwill

No changes in goodwill occurred between 1 July and 30 September 2017.

(all figures quoted in PLN thousands unless stated otherwise)

Note 5. Inventories

Changes in inventories

	30.09.2017	30.06.2017	31.12.2016
Other materials	31	28	28
Goods	470	527	373
Gross inventories	501	555	401
Inventory impairment write-downs	-	-	-
Net inventories	501	555	401

Changes in inventory revaluation write-downs

None reported.

Note 6. Trade and other receivables

Changes in receivables

	30.09.2017	30.06.2017	31.12.2016
Trade and other receivables	48 346	92 646	91 822
from affiliates	25	-	10
from external entities	48 321	92 646	91 812
Impairment losses	3 222	3 642	4 211
Gross receivables	51 568	96 288	96 033

Changes in impairment write-downs for receivables

	Trade receivables	Other receivables
OTHER ENTITIES		
Revaluation write-downs as of 01.01.2017	3 479	732
Increases from:	-	-
creation of write-downs for past-due and contested receivables	-	-
Reductions from:	989	-
elimination of write-downs due to collection of receivables	884	-
dissolution of write-downs (writeoffs)	105	-
Impairment losses as of 30.09.2017	2 490	732

(all figures quoted in PLN thousands unless stated otherwise)

Current and overdue trade receivables as of 30.09.2017

	Total	Not overdue	Days overdue				
			< 61	61 – 90	91 – 180	181 – 360	>360
AFFILIATES							
gross receivables	14	14	-	-	-	-	-
impairment write-downs	-	-	-	-	-	-	-
Net receivables	14	14	-	-	-	-	-
OTHER ENTITIES							
gross receivables	35 384	27 505	5 382	-	6	2 090	401
impairment write-downs	2 490	-	-	-	-	2 089	401
Net receivables	32 894	27 505	5 382	-	6	1	-
TOTAL							
gross receivables	35 398	27 519	5 382	-	6	2 090	401
impairment write-downs	2 490	-	-	-	-	2 089	401
Net receivables	32 908	27 519	5 382	-	6	1	-

Other receivables

	30.09.2017	30.06.2017	31.12.2016
Other receivables, including:	15 438	14 507	20 268
tax returns except corporate income tax	12 305	10 611	17 229
advance payments for supplies	2 741	2 794	1 838
deposits	78	79	83
employee compensation settlements	81	81	38
sale of shares	-	569	1 031
other	233	373	49
Impairment write-downs	732	732	732
Other gross receivables	16 170	15 239	21 000

Note 7. Prepaid expenses

	30.09.2017	30.06.2017	31.12.2016*
Non-life insurance	156	156	78
Company car insurance	37	27	20
Minimum guarantees; payments advanced to GOG	8 963	11 441	13 207
Access to online legal support portal	24	42	23
Software, licenses	576	634	866
Business travel (airfare, hotels, insurance)	104	183	25
Participation in fairs	553	504	-
IT security costs	192	251	-
Other prepaid expenses	560	686	505
Total prepaid expenses	11 165	13 924	14 724

* adjusted data

(all figures quoted in PLN thousands unless stated otherwise)

Note 8. Deferred income tax

Negative temporary differences requiring recognition of deferred tax assets

	31.12.2016*	increases	reductions	30.09.2017
Provisions for other employee benefits	243	43	161	125
Provisions for compensation dependent on financial result	43 906	28 599	14 252	58 253
Fixed assets written off	-	743	743	-
Negative exchange rate differences	1 027	1 523	2 327	223
Employee compensation and social security expenses payable in future reporting periods	113	6	118	1
Difference between net carrying value and net tax value of fixed assets and intangibles	157	358	308	207
Other provisions	499	276	496	279
Total negative temporary differences	45 945	31 548	18 405	59 088
Tax rate (Poland)	19%	19%	19%	19%
Deferred tax assets	8 730	5 994	3 497	11 227

* adjusted data

Positive temporary differences requiring recognition of deferred tax provisions

	31.12.2016	increases	reductions	30.09.2017
Difference between net carrying value and net tax value of fixed assets and intangibles	15 761	4 132	-	19 893
Revaluation of forward contracts (cash flow hedge) at fair value	53	-	53	-
Income in the current period invoiced in the following period, and sales returns in the current period	66 698	118 474	161 454	23 718
Positive exchange rate differences	1 004	275	1 165	114
Valuation of shares in other entities	169	-	169	-
Other sources	146	270	12	404
Total positive temporary differences	83 831	123 151	162 853	44 129
Tax rate (Poland)	19%	19%	19%	19%
Deferred tax provisions	15 928	23 399	30 942	8 385

Balance of deferred tax assets/provisions

	30.09.2017	30.06.2017	31.12.2016
Deferred tax assets	11 227	10 376	8 730
Deferred tax provisions	8 385	16 158	15 928
Net deferred tax assets/provisions	2 842	(5 782)	(7 198)

Income tax reported in profit/loss account

	01.07.2017 - 30.09.2017	01.01.2017 - 30.09.2017	01.07.2016 - 30.09.2016	01.01.2016 - 30.09.2016
Current income tax	17 352	46 363	10 195	41 824
Changes in deferred income tax	(8 624)	(10 040)	(875)	389
Income tax reported in profit/loss account	8 728	36 323	9 320	42 213

(all figures quoted in PLN thousands unless stated otherwise)

Note 9. Provisions for employee benefits and similar liabilities

Provisions for employee benefits and similar liabilities

	30.09.2017	30.06.2017	31.12.2016
Provisions for retirement benefits and pensions	58	58	58
Provisions for other employee benefits	51	53	293
Total, including:	109	111	351
long-term provisions	57	57	57
short-term provisions	52	54	294

Changes in provisions

	Provisions for retirement benefits and pensions	Provisions for other employee benefits	Total
As of 01.01.2017	58	293	351
Benefits paid out	-	219	219
Provisions dissolved	-	23	23
As of 30.09.2017, including:	58	51	109
long-term provisions	57	-	57
short-term provisions	1	51	52

Note 10. Other provisions

	30.09.2017	30.06.2017	31.12.2016
Provisions for warranty-covered repairs and returns	81	51	21
Provisions for liabilities, including:	58 910	53 191	45 010
financial statement audit expenses	-	61	68
provisions for bought-in services	452	673	644
provisions for bonuses dependent on financial result	58 252	52 363	43 906
provisions for licensing liabilities	7	-	81
provisions for licenses and fixed assets	17	34	72
provisions for other expenses	182	60	239
Total, including:	58 991	53 242	45 031
long-term provisions	-	-	-
short-term provisions	58 991	53 242	45 031

(all figures quoted in PLN thousands unless stated otherwise)

Changes in other provisions

	Provisions for warranty-covered repairs and returns	Provisions for bonuses dependent on financial result	Other provisions	Total
As of 01.01.2017	21	43 906	1 104	45 031
Provisions created during fiscal year	87	28 598	1 500	30 185
Benefits paid out	22	13 024	1 291	14 337
Provisions dissolved	-	1 228	-	1 228
Adjustments due to exchange rate differences	(5)	-	(655)	(660)
As of 30.09.2017, including:	81	58 252	658	58 991
long-term provisions	-	-	-	-
short-term provisions	81	58 252	658	58 991

Note 11. Other liabilities

	30.09.2017	30.06.2017	31.12.2016
Liabilities due to other taxes, duties, social security and similar expenses except corporate income tax	5 175	8 534	4 508
VAT	3 736	4 906	3 487
Flat-rate tax deducted at source	41	15	12
Personal income tax	710	1 490	659
Social security (ZUS) payments	530	1 626	327
National Fund for the Rehabilitation of the Disabled (PFRON) payments	20	21	19
PIT-8A settlements	84	32	4
Other liabilities	54	444	-
Other liabilities	309	4 428	5 319
Liabilities associated with employee compensation	-	-	1 204
Other settlements with employees	6	37	25
Other settlements with members of the management boards of Capital Grop member companies	43	91	75
Social Benefits Fund (ZFŚS) – other settlements	(2)	86	(34)
Advance payments from foreign clients	262	4 214	4 049
Total other liabilities	5 484	12 962	9 827

(all figures quoted in PLN thousands unless stated otherwise)

Note 12. Disclosure of financial instruments

Fair value of financial instruments per class

The Management Board of the Group has performed an analysis of each class of financial instruments and came to the conclusion that the carrying amount of each instrument matches their respective fair value both as of 30 September 2017 and as of 31 December 2016.

Changes in financial instruments

	01.01.2017 – 30.09.2017				
	Financial assets carried at fair value through profit or loss	Financial assets held to maturity	Loans granted and own receivables	Financial assets held for sale	Other financial liabilities
At beginning of period	53	379 835	309 191	194	37 872
Increases	-	896 177	98 792	-	27 933
Cash and cash equivalents	-	-	50 446	-	-
Trade and other receivables	-	-	48 346	-	-
Trade and other liabilities	-	-	-	-	27 551
Short-term deposits (maturity beyond 3 months)	-	896 177	-	-	-
Financial lease agreements	-	-	-	-	382
Reductions	53	688 435	309 191	194	37 872
Cash and cash equivalents	-	-	217 369	-	-
Trade and other receivables	-	-	91 822	-	-
Trade and other liabilities	-	-	-	-	37 733
Financial lease agreements	-	-	-	-	139
Short-term deposits (maturity beyond 3 months)	-	688 435	-	-	-
Company shares and stock	-	-	-	194	-
Forward contracts	53	-	-	-	-
At end of period	-	587 577	98 792	-	27 933

The reported change in assets held for sale results from the sale of 16 shares in cdp.pl sp z o.o., carried out on 31 March 2017. Consequently, the Group's share in this entity was reduced from 3.11% to 0%.

(all figures quoted in PLN thousands unless stated otherwise)

Hierarchy of financial instruments carried at fair value

	30.09.2017	30.06.2017	31.12.2016
LEVEL 2			
Assets carried at fair value			
Derivatives:	-	-	53
forward currency contract – USD	-	-	53

Financial instruments carried at fair value are categorised into different levels of the fair value hierarchy as follows:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.
Level 3 – inputs are unobservable inputs for the asset or liability.

Changes in financial instruments are recognized as financial revenues or expenses (as appropriate) and presented in note 15.

Note 13. Operating expenses

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016*	01.01.2016 – 30.09.2016*
Depreciation and impairment of fixed assets and intangibles	1 268	3 619	1 128	3 692
Consumption of materials and energy	439	936	318	1 077
Bought-in services	5 427	38 888	15 203	53 363
Taxes and fees	162	441	92	303
Employee compensation, social security and other benefits	15 097	52 064	20 272	58 039
Business travel	587	1 415	282	1 325
Other expenses	160	538	304	825
Use of company cars	33	99	15	71
Value of goods and materials sold	18 430	56 047	18 382	60 979
Cost of products and services sold	403	891	134	32 397
Total	42 006	154 938	56 130	212 071
Selling costs	15 535	73 823	31 655	101 840
General and administrative costs	7 638	24 177	5 959	16 855
Cost of products, goods and materials sold	18 833	56 938	18 516	93 376
Total	42 006	154 938	56 130	212 071

* adjusted data

(all figures quoted in PLN thousands unless stated otherwise)

Note 14. Other operating revenues and expenses

Other operating revenues

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09.2016
Elimination of write-downs for receivables	401	881	25	59
Dissolution of provisions for employee benefits	-	1 234	5	12
Dissolution of provisions for liabilities	-	10	85	157
Subsidies	503	595	687	763
Write-downs on expired liabilities	-	31	-	5
Insurance claims and compensation for damages	1	119	-	2
Reinvoicing revenues	148	375	83	601
Profit from liquidation of fixed assets	2	48	-	53
Withholding tax recovered at source	-	235	-	-
Other revenues, including:	296	416	348	411
provisions dissolved	-	21	-	-
repossession gains received	10	25	6	14
interest on budget commitments	-	11	-	-
goods received free of charge	35	35	-	2
other sales	244	278	287	290
other miscellaneous operating revenues	7	46	55	105
Total operating revenues	1 351	3 944	1 233	2 063

Other operating expenses

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09.2016
Revaluation of receivables	-	-	235	261
Losses from sales of fixed assets	-	-	4	-
Expenses associated with receivable enforcement proceedings	29	77	-	-
Donations	9	14	-	-
Reinvoicing costs	148	375	83	601
Receivables written off	-	31	-	-
Fixed assets written off	-	743	-	-
Unrecoverable withholding tax	63	70	55	182
Other operating expenses, including:	815	1 041	787	806
insurance costs	-	2	-	-
disposal of materials and goods	-	-	1	11
nonculpable shortfall in working assets	-	-	9	9
expenses associated with other sales	777	991	776	776
other miscellaneous operating expenses	38	48	1	10
Total operating expenses	1 064	2 351	1 164	1 850

(all figures quoted in PLN thousands unless stated otherwise)

Note 15. Financial revenues and expenses

Financial revenues

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09.2016
Revenues from interest:	2 180	7 226	2 178	6 154
on short-term bank deposits	2 180	7 222	2 178	6 146
on trade settlements	-	4	-	2
long-term deposit discount	-	-	-	6
Other financial revenues, including:	7	422	681	1 470
profit from liquidation of investments	-	-	678	658
forward currency contracts	-	41	-	797
profit from sales of shares	-	374	-	-
other miscellaneous financial revenues	7	7	3	15
Total financial revenues	2 187	7 648	2 859	7 624

Financial expenses

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09.2016
Interest payments:	5	46	31	55
on bank settlements	-	-	-	1
on lease agreements	4	9	2	7
on budget commitments	1	37	29	47
Other financial expenses, including:	893	3 125	1 755	2 068
surplus negative exchange rate differences	893	3 125	1 755	2 068
Total financial expenses	898	3 171	1 786	2 123
Net financial expenses	1 289	4 477	1 073	5 501

The goals and rules of managing financial risk have been described in the Management Board Report on CD PROJEKT Capital Group Activities in 2016.

Note 16. Issue, buyback and redemption of debt and capital securities

Issue of debt securities

Not applicable.

Issue of capital securities

	30.09.2017	30.06.2017	31.12.2016
Stock volume (thousands)	96 120	96 120	96 120
Nominal value per share (PLN)	1	1	1
Share capital (PLN thousands)	96 120	96 120	96 120

Note 17. Dividends declared or paid out

On 23 May 2017 the Ordinary General Meeting of Shareholders of CD PROJEKT S.A. voted to allocate part of the paren't company's profit obtained in 2016 towards a dividend payable to Company shareholders. In line with the adopted resolution, on 13 June 2017 the parent company paid out a dividend in the amount of 100 926 thousand PLN (1.05 PLN per share). The dividend applied to 96 120 000 shares of the parent company.

Note 18. Transactions with affiliates

Rules governing transactions with affiliates

Intragroup transactions are conducted in accordance with the Directive of the Finance Minister of 10 September 2009 specifying the rules for estimating the income of legal entities and avoiding double taxation when adjusting the income of affiliated legal entities (Journal of Laws of the Republic of Poland 2009, no. 160, item 1268), later amended by the Directive of the Finance Minister of 17 June 2013 (Journal of Laws of the Republic of Poland; 3 July 2013), as well as with OECD guidelines regarding transfer prices.

In each case, selection of the appropriate pricing model is preceded by careful analysis of the given transaction, specifically, the assignment of responsibilities and financial exposure of each party, along with the associated risks, costs and business strategies.

As a result, transactions between member companies of the CD PROJEKT Capital Group closely reflect similar transactions concluded by unaffiliated entities.

For significant transactions exceeding the limits specified in Art. 9a of the corporate income tax law all participating entities submit the required tax forms.

Transactions with affiliates following consolidation eliminations

	Sales to affiliates				Purchases from affiliates			
	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09 .2016	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09 .2016
SUBSIDIARIES								
CD PROJEKT Co., Ltd	24	24	-	-	538	1 211	-	-
GROUP MEMBER COMPANIES - EXECUTIVES								
Marcin Iwiński	1	4	1	4	-	-	-	-
Adam Kiciński	1	2	1	2	-	-	-	-
Piotr Nielubowicz	1	4	1	4	-	-	-	-
Michał Nowakowski	2	7	2	7	-	-	-	-
Piotr Karwowski	-	-	-	1	-	-	-	-
Oleg Klapovskiy	-	-	-	1	-	-	-	-
SUPERVISORY BOARD MEMBERS								
Katarzyna Szwarc	-	-	-	-	-	5	-	-

(all figures quoted in PLN thousands unless stated otherwise)

	Receivables from affiliates			Liabilities due to affiliates		
	30.09.2017	30.06.2017	31.12.2016	30.09.2017	30.06.2017*	31.12.2016*
SUBSIDIARIES						
CD PROJEKT Co., Ltd	14	-	-	281	-	-
GROUP MEMBER COMPANIES - EXECUTIVES						
Marcin Iwiński	3	-	1	1	2	-
Adam Kiciński	-	-	-	1	-	7
Michał Nowakowski	8	-	-	1	3	3
Adam Badowski	-	-	9	-	-	-
Oleg Klapovskiy	-	-	-	40	86	65

* adjusted data

(all figures quoted in PLN thousands unless stated otherwise)

Note 19. Bad loans and breaches of loan agreements not subject to remedial proceedings as of the balance sheet date

Not applicable.

Note 20. Changes in conditional liabilities and assets since the close of the most recent fiscal year

Conditional liabilities from sureties and collateral pledged

	Type of agreement	Currency	30.09.2017	30.06.2017	31.12.2016
Agora S.A.					
Promissory note payable	Collateral for licensing and distribution agreement	PLN	-	-	11 931
Declaration of submission to enforcement with respect to guaranteed execution of distribution agreement	Collateral for licensing and distribution agreement	PLN	-	-	11 931
mBank S.A.					
Declaration of submission to enforcement	Collateral for credit card agreement	PLN	920	920	920
Promissory note agreement	Framework agreement concerning forward and derivative transactions	PLN	7 710	7 710	7 710
Promissory note agreement	Collateral for lease agreement	PLN	667	667	667
Ingenico Group S.A. (formerly Global Collect Services BV)					
Contract of guarantee	Guarantee of discharge of liabilities by GOG Ltd.	EUR	155	155	155
Ministry of the Economy					
Promissory note agreement	Co-financing agreement no. POIG.06.05.02-00-146/13-00	PLN	-	-	265
Promissory note agreement	Co-financing agreement no. POIG.06.05.02-00-148/13-00	PLN	-	-	235

(all figures quoted in PLN thousands unless stated otherwise)

Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości)					
Promissory note agreement	Co-financing agreement no. UDA-POIG.08.02.00-14-524/13-00; POIG Task 8.2	PLN	798	798	798
National **Centre for Research and Development (Narodowe Centrum Badań i Rozwoju)**					
Promissory note agreement	Co-financing agreement no. POIR.01.02.00-00-0105/16	PLN	7 934	7 934	-
Promissory note agreement	Co-financing agreement no. POIR.01.02.00-00-0110/16	PLN	5 114	5 114	-
Promissory note agreement	Co-financing agreement no. POIR.01.02.00-00-0112/16	PLN	3 857	3 857	-
Promissory note agreement	Co-financing agreement no. POIR.01.02.00-00-0118/16	PLN	5 324	5 324	-
Raiffeisen Bank Polska S.A.					
Guarantee of discharge of cash pool liabilities	Cash pool agreement	PLN	-	-	15 000
Guarantee of discharge of cash pool liabilities	Cash pool agreement	USD	-	-	500
Declaration of submission to enforcement	Framework agreement concerning forward and derivative transactions	PLN	25 000	75 000	75 000
BZ WBK Leasing S.A.					
Promissory note agreement	Lease agreement no. CZ5/00007/2016	PLN	320	320	320
Promissory note agreement	Lease agreement no. CZ5/00013/2017	PLN	403	403	-
Promissory note agreement	Lease agreement no. CZ5/00036/2017	PLN	175	175	-
BZ WBK S.A.					
Promissory note agreement	Framework agreement concerning treasury transactions	PLN	6 500	6 500	6 500

(all figures quoted in PLN thousands unless stated otherwise)

Note 21. Changes in the structure of the Capital Group and its member entities occurring during the reporting period

Incorporation of new subsidiary

On 26 April 2017 a subsidiary of CD PROJEKT S.A. named CD PROJEKT Co., Ltd. was incorporated in the People's Republic of China, with a registered office in Shanghai. The goal of this action is to ensure regional presence of the CD PROJEKT Capital Group on the Chinese market, and to create suitable conditions for a local team tasked with coordinating the Group's publishing and promotional activities in the People's Republic of China – including, in particular, the upcoming release of GWENT.

Merger between subsidiaries

On 15 May 2017 the Management Boards of two companies wholly owned by CD PROJEKT S.A., i.e. GOG Poland Sp. z o.o. and GOG Ltd. undertook resolutions whose purpose was to effect a merger between said companies. The process involved a transnational merger between GOG Poland Sp. z o.o. (the Acquirer) and GOG Ltd. (the Acquiree) and transfer of all operating activities of GOG Ltd. from Cyprus to Poland. This was done in order to simplify the organizational structure of the CD PROJEKT Capital Group. The process concluded on 31 October 2017 when the District Court for the City of Warsaw, 13th Commercial Department of the National Court Registry certified the merger between the aforementioned subsidiaries. The merger was carried out under Art. 492 § 1 item 1 and Art. 516[1] of the Commercial Company Code, by transferring the totality of GOG Ltd. assets and liabilities to the Acquirer, in exchange for shares in the Acquirer's increased share capital, issued to the sole shareholder of GOG Ltd., i.e. CD PROJEKT S.A.

In conjunction with the certification of the merger, the name under which the Acquirer conducts business activities was changed from GOG Poland sp. z o.o. to GOG sp. z o.o.

Note 22. Agreements which may, in the future, result in changes in the proprortion of shares held by shareholders and bondholders

On 24 May 2016 the General Meeting of Shareholders voted to institute a new incentive program covering the years 2016-2021. According to the program's conditions, a maximum of 6 000 000 entitlements may be granted. Implementation of the program may be carried out by issuing and assigning series B subscription warrants, entitling holders to claim Company shares issued as a conditional increase in the Company share capital, or by presenting entitled parties with an offer to buy existing shares which the Company will have previously bought back on the open market. In either case, implementation of the program is contingent upon meeting specific result goals (80% of entitlements) and market goals (20% of entitlements), in addition to a loyalty criterion which applies to each entitled party until such time as the attainment of either goal is officially declared.

In conjunction with assignment of Series B subscription warrants, the Company is also discretionarily empowered to present each entitled party with an offer to repurchase said warrants, in part or in whole, for redemption.

Note 23. Fiscal settlements

Fiscal settlements and other areas of activity governed by legal regulations (such as import duties or currency exchange) may be subject to audits by administrative bodies authorized to impose high penalties and sanctions. The lack of entrenched legal regulations in Poland leads to numerous ambiguities and inconsistencies in this regard. Interpretation of existing tax law frequently varies from state organ to state organ as well as between state organs and business entities, giving rise to areas of uncertainty and conflict. These conditions increase tax risks in Poland beyond the level encountered in states with more developed fiscal systems.

Fiscal settlements may be subject to state audits within five years following the end of the period in which tax payment was effected.

On 15 July 2016 the Tax Code was amended to reflect the stipulations of the General Anti-Avoidance Rule (GAAR). The goal of GAAR is to discourage creation and exploitation of fictitious legal structures which serve primarily as a means of avoiding taxation. GAAR defines tax avoidance as any activity which is carried out specifically to obtain fiscal relief in a manner contrary to the goal and substance of the applicable tax laws. Under GAAR, such activities provide no fiscal relief if carried out under false pretense. Specifically, all cases of (i) unnecessary partitioning of activities; (ii) involving intermediaries despite the lack of economic justification for such involvement; (iii) activities which produce a state identical to or materially similar to the state which existed prior to initiation of such activities; (iv) mutually compensating or counterbalancing activities or (v) activities which carry excessive economic risk given the expected benefits, except for fiscal benefits, giving rise to the conclusion that a rational entity would not have undertaken such risk – all such activities may be regarded as carried out under false pretense and therefore subject to GAAR. The introduction of GAAR will mandate much more diligent assessment of the fiscal consequences of transactions carried out by the Company.

GAAR is applicable to transactions carried out following its introduction as well as to preceding transactions, if such transactions continued to generate tax benefits on the date of introduction of GAAR. Implementation of the abovementioned rules will enable Polish tax authorities to question legal agreements concluded by taxable entities, such as restructurization and reorganization of the Capital Group.

Note 24. Clarifications regarding the condensed interim consolidated statement of cash flows

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016*	01.01.2016 – 30.09.2016*
Total cash and cash equivalents reported in the cash flow statement	50 446	50 446	80 729	80 729
Cash on balance sheet	50 446	50 446	80 729	80 729
Depreciation	1 268	3 619	1 128	35 089
Depreciation of intangible assets	617	1 850	622	2 176
Depreciation of development projects	-	-	-	31 397
Depreciation of fixed assets	651	1 769	506	1 516
Interest and profit sharing consists of:	(2 180)	(7 222)	(2 178)	(6 148)
Interest collected	(2 180)	(7 222)	(2 178)	(6 148)
Profit (loss) from investment activities consists of:	(2)	908	356	379
Revenues from sales of intangibles	-	-	-	(126)
Revenues from sales of fixed assets	(4)	(64)	-	-
Net value of fixed assets sold	2	16	(2)	(55)
Net value of shares sold	-	195	53	53
Fixed assets received free of charge	-	(35)	-	-
Net value of fixed assets liquidated	-	-	(1)	122
Revaluation of short-term financial assets	-	53	-	102
Revaluation of cdp.pl shares at fair value	-	-	306	306
Fixed assets written off	-	743	-	-
Revenies from sales of investments	-	-	-	(23)
Changes in provisions consist of:	5 747	13 718	(40 039)	(30 248)
Balance of changes in provisions for liabilities	5 749	13 960	(39 980)	(30 243)
Balance of changes in provisions for employee benefits	(2)	(242)	(59)	(5)
Changes in inventories consist of:	54	(100)	(14)	122
Balance of changes in inventories	54	(100)	(14)	122
Changes in receivables consist of:	44 355	43 529	36 240	51 267
Balance of changes in short-term receivables	46 783	43 588	33 946	45 131
Balance of changes in long-term receivables	-	(35)	(94)	(195)
Income tax set against withholding tax	-	14 316	5 713	21 583
Adjustments for current income tax	(2 428)	(14 340)	(3 325)	(15 252)
Changes in short-term liabilities except financial liabilities consist of:	(14 135)	(10 337)	29 523	(7 274)
Balance of changes in short-term liabilities	(10 174)	(8 570)	27 239	(14 695)
Adjustments for current income tax	(3 735)	(1 470)	764	7 370
Changes in financial liabilities	15	(142)	110	233
Adjustments for liabilities associated with purchases of fixed assets	(223)	263	441	39
Adjustments for liabilities associated with purchases of intangible assets	(18)	(418)	969	(221)
Changes in other assets and liabilities consist of:	3 294	3 407	(288)	(5 270)
Balance of changes in prepaid expenses	2 759	3 559	(74)	(236)
Balance of changes in deferred revenues	535	(152)	(214)	(5 032)
Eliminatin of fixed assets received free of charge	-	-	-	(2)
Other adjustments consist of:	2 401	4 562	1 825	3 385
Costs of incentive program	2 640	7 622	2 320	3 482
Depreciation aggregated with cost of sales and consortium settlements	23	62	77	161
Exchange rate differences	(262)	(3 122)	(572)	(258)

* adjusted data

(all figures quoted in PLN thousands unless stated otherwise)

Note 25. Events occurring after the balance sheet date

In Current Report no. 26/2017 of 16 October 2017 the Management Board announced that a notice had been filed by a Company shareholder under Art. 69 sections 1 and 4 of the Act of 29 July 2005 on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, to the effect that, as a result of a sale of CD PROJEKT S.A. stock carried out on 11 October 2017, the percentage of Company shares held by Otwarty Fundusz Emerytalny Aviva BZ WBK decreased from 5.01% to 4.88% which corresponds to 4 693 642 shares of CD PROJEKT S.A. stock.

In Current Report no. 27/2017 of 31 October 2017 the Management Board announced that on 31 October 2017 the District Court for the City of Warsaw, 13th Commercial Department of the National Court Registry certified the transnational merger between two of the Issuer's subsidiaries, i.e. GOG Poland sp. z o.o., with a registered office in Warsaw, and GOG Limited, with a registered office in Nicosia.

The merger was carried out under Art. 492 § 1 item 1 of the Commercial Company Code (CCC), in conjunction with Art. 5161 of the CCC, by transferring the totality of the assets and liabilities of GOG Limited to the Acquirer in exchange for shares in the increased share capital of the Acquirer, issued to the Acquiree's sole shareholder, i.e. the Issuer.

In conjunction with the merger, the Acquirer's name was altered from GOG Poland sp. z o.o. to GOG sp. z o.o.

Supplementary information

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Legal proceedings

The following legal proceedings took place during the reporting period (the presented status is valid for the publication date of this report):

Litigation in which CD PROJEKT S.A. is the plaintiff or claimant

CD PROJEKT S.A. (formerly Optimus S.A.) vs. State Treasury

On 15 February 2006 the Management Board of Optimus S.A. filed a complaint in the District Court for the City of Kraków, 1st Civil Department seeking monetary damages from the State Treasury in the amount of 35 650.6 thousand PLN in relation to decisions issued by the Inspector of Treasury Control concerning VAT liabilities allegedly incurred by the Company's legal predecessor. On 24 November 2003 the Supreme Administrative Court in Warsaw vacated these decisions as unlawful.

On 9 December 2008 the District Court for the City of Kraków issued an interlocutory judgment holding the Optimus claim valid in rem. This judgment concerned the validity of the Company's claim for monetary damages. On 19 May 2009 this judgment was vacated by the Appellate Court for the City of Kraków, 1st Civil Department, which remanded the case to the District Court for further proceedings.

On 1 August 2014 the District Court for the City of Kraków issued a final judgment closing the proceedings in the court of first instance. The District Court's judgment awarded the Company 1 090.5 thousand PLN plus statutory interest for the period between 15 November 2005 and the remittance date, dismissing the lawsuit on all other counts.

On 9 October 2014 the Company filed an appeal against the District Court's judgment with regard to those sections in which the District Court dismissed the Company's claims, and also the section concerning the cost of legal proceedings associated with the case. A parallel appeal against the section in which the District Court affirms the Company's claims was filed by the State Treasury.

The case is currently pending before the Appellate Court in Kraków, which, having heard statements by both Parties and by the court expert whose opinion constituted the grounds for the judgment of the court of first instance, has decided to appoint another expert to prepare a second opinion.

Criminal proceedings in which CD PROJEKT S.A. is recognized as the victim

Case against Michał Lorenc, Piotr Lewandowski and Michał Dębski

In case no. XVIII K 126/09, following indictment filed by the District Attorney in the District Court for the City of Warsaw, on 27 October 2016 the District Court convicted Mr. Michał Lorenc, Mr. Piotr Lewandowski and Mr. Michał Dębski of violating sections 296 §1, 296 §3 and others of the Penal Code. Having found the defendants guilty, the Court awarded the Company 210 thousand PLN in damages under Art. 46 of the Penal Code. According to the operative part of the judgement total losses sustained by the Company as a result of the defendants' actions were estimated at not less than 16 million PLN (this figure follows from standard regulations applicable to criminal trials). The Company suibsequently filed an appeal against the judgment, contesting, among others, the amount of damages awarded to the Company. On 26 October 2017 the Appellate Court vacated the judgment of the court of first instance and remanded the case to be retried in full. The Company acted as an auxiliary prosecutor in the court.

No significant court proceedings, aribitration proceedings or administrative proceedings involving the Company or its subsidiaries were initiated during the reporting period. Additionally, no significant changed occurred with regard to other proceedings disclosed in the Company's annual financial statement for 2016.

Shareholder structure

Shareholders who control, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders of the parent entity as of the publication date of this quarterly statement

	Qty. of votes at the GM	% share in total number of votes at the GM
Marcin Iwiński	12 150 000	12.64%
Michał Kiciński (1)	10 486 106	10.91%
Piotr Nielubowicz	6 135 197	6.38%
Nationale-Nederlanden PTE (2)	4 998 520	5.20%
Pozostały akcjonariat	62 350 177	64.87%

(1) as disclosed in notice filed on 6 December 2016

(2) as disclosed in notice filed on 13 July 2017

The percentage share in the share capital of the parent entity held by the above listed parties is equivalent to the amount of votes controlled by these parties at the General Meeting.

Changes in shareholder structure of the parent entity

On 13 July 2017, in Current Report no. 15/2017, the Company announced that a notice had been filed by a Company shareholder under Art. 69 section 1 and Art. 87 section 1 item 3 of the Act of 29 July 2005 on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, to the effect that, as a result of a purchase of CD PROJEKT S.A. stock the following funds managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.: Nationale-Nederlanden Otwarty Fundusz Emerytalny ("OFE") and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny ("DFE") increased their joint share in CD PROJEKT S.A. share capital from 4.99% to 5.20%, which corredponds to 4 998 520 shares of CD PROJEKT S.A. stock.

On 16 October 2017 the Company received a notice filed by a Company shareholder and described in Note 25: Events occurring after the balance sheet date.

(all figures quoted in PLN thousands unless stated otherwise)

Company shares held by members of the Management Board and Supervisory Board

Changes in number of shares held by members of the Management Board and the Supervisory Board

Name	Position	As of 01.01.2017	As of 30.09.2017	As of 22.11.2017
Adam Kiciński	President of the Board	3 322 481	3 322 481	3 322 481
Marcin Iwiński	Vice President of the Board	12 150 000	12 150 000	12 150 000
Piotr Nielubowicz	Vice President of the Board	6 135 197	6 135 197	6 135 197
Adam Badowski	Board Member	150 000	150 000	150 000
Michał Nowakowski	Board Member	101 149	101 149	101 149
Piotr Karwowski	Board Member	8 000	8 000	8 000
Oleg Klapovskiy(1)	Członek Zarządu	Not applicable	Not applicable	1 042
Katarzyna Szwarc	Chairwoman of the Supervisory Board	10 010	10 010	10 010
Maciej Nielubowicz(2)	Supervisory Bord Member	Not applicable	Not applicable	51

(1) Member of the Board since 11 October 2017

(2) Member of the Supervisory Board since 11 October 2017

Validation of published estimates

The Group had not published any estimates referring to the reporting period.

(all figures quoted in PLN thousands unless stated otherwise)

CD PROJEKT

Condensed interim separate financial statement of CD PROJEKT S.A.

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Condensed interim separate profit and loss account

	Note	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016*	01.01.2016 – 30.09.2016*
Sales revenues		57 455	241 261	80 330	346 049
Revenues from sales of products		55 004	234 674	74 850	328 835
Revenues from sales of services		488	1 713	640	1 986
Revenues from sales of goods and materials		1 963	4 874	4 840	15 228
Cost of products, goods and materials sold		2 620	6 451	5 312	48 282
Cost of products and services sold		787	1 890	534	33 610
Value of goods and materials sold		1 833	4 561	4 778	14 672
Gross profit (loss) from sales		54 835	234 810	75 018	297 767
Other operating revenues		1 821	4 566	1 450	2 308
Selling costs		8 781	49 151	25 668	85 968
General and administrative costs		5 647	17 848	5 493	12 610
Other operating expenses		1 496	2 967	1 386	2 167
Operating profit (loss)		40 732	169 410	43 921	199 330
Financial revenues		2 178	7 622	6 721	11 474
Financial expenses		912	3 515	1 762	1 937
Profit (loss) before tax		41 998	173 517	48 880	208 867
Income tax	A	8 343	33 935	9 140	39 929
Net profit (loss)		33 655	139 582	39 740	168 938
Net earnings per share (in PLN)					
Basic for the reporting period		0.35	1.45	0.42	1.77
Diluted for the reporting period		0.34	1.40	0.40	1.76
Net earnings per share from continuing operations (in PLN)					
Basic for the reporting period		0.35	1.45	0.42	1.77
Diluted for the reporting period		0.34	1.40	0.40	1.76

* adjusted data

(all figures quoted in PLN thousands unless stated otherwise)

Condensed interim separate statement of comprehensive income

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09.2016
Net profit (loss)	33 655	139 582	39 740	168 938
Other comprehensive income which will be entered as profit (loss) following fulfillment of specific criteria	-	-	-	(1)
Differences from rounding to PLN thousands	-	-	-	(1)
Other comprehensive income which will not be entered as profit (loss)	-	-	-	-
Total comprehensive income	33 655	139 582	39 740	168 937

Condensed interim separate statement of financial position

	Note	30.09.2017	30.06.2017	31.12.2016*
FIXED ASSETS		228 904	208 870	169 607
Tangible assets		15 324	14 675	10 952
Intangibles	B	85 360	85 807	84 075
Expenditures on development projects		110 151	92 299	60 049
Investments in subsidiaries	D	15 166	14 423	13 850
Other financial assets		110	1 175	194
Deferred income tax assets	A	2 302	-	-
Other long-term receivables		491	491	487
WORKING ASSETS		646 771	638 587	658 922
Inventories		501	555	401
Trade receivables		31 153	83 056	73 372
Current income tax receivables		-	2 374	-
Other receivables		17 637	18 988	23 701
Other financial assets		470	454	53
Prepaid expenses		1 520	1 606	1 012
Cash and cash equivalents		7 913	34 007	180 548
Bank deposits (maturity beyond 3 months)	12**	587 577	497 547	379 835
TOTAL ASSETS		875 675	847 457	828 529

* adjusted data

** Detailed information regarding changes in each line item can be found in the notes accompanying the condensed interim consolidated financial statement.

	Note	30.09.2017	30.06.2017	31.12.2016
EQUITY		803 854	767 558	757 576
Equity attributable to shareholders of the entity		803 854	767 558	757 576
Share capital	16*	96 120	96 120	96 120
Supplementary capital		539 294	539 294	390 518
Other reserve capital		12 417	9 777	4 795
Retained earnings		16 441	16 441	16 441
Net profit (loss) for the reporting period		139 582	105 926	249 702
LONG-TERM LIABILITIES		899	6 559	8 705
Other financial liabilities		177	205	76
Deferred income tax liabilities	A	-	5 873	7 638
Deferred revenues		668	427	937
Provisions for employee benefits and similar liabilities		54	54	54
SHORT-TERM LIABILITIES		70 922	73 340	62 248
Other financial liabilities		205	220	63
Trade liabilities		5 944	8 712	7 204
Current income tax liabilities		4 057	-	3 678
Other liabilities		3 366	12 417	7 035
Deferred revenues		585	789	587
Provisions for employee benefits and similar liabilities		52	52	182
Other provisions		56 713	51 150	43 499
Total equity and liabilities		875 675	847 457	828 529

* Detailed information regarding changes in each line item can be found in the notes accompanying the condensed interim consolidated financial statement.

(all figures quoted in PLN thousands unless stated otherwise)

Condensed interim statement of changes in separate equity

	Share capital	Supplementary capital	Other reserve capital	Retained earnings	Net profit (loss) for the reporting period	Total equity
01.01.2017 – 30.09.2017						
Equity as of 01.01.2017	96 120	390 518	4 795	266 143	-	757 576
Cost of incentive program	-	-	7 622	-	-	7 622
Allocation of net profit/coverage of loss	-	148 776	-	(148 776)	-	-
Dividend payments	-	-	-	(100 926)	-	(100 926)
Total comprehensive income	-	-	-	-	139 582	139 582
Equity as of 30.09.2017	96 120	539 294	12 417	16 441	139 582	803 854

(all figures quoted in PLN thousands unless stated otherwise)

	Share capital	Supplementary capital	Other reserve capital	Retained earnings	Net profit (loss) for the reporting period	Total equity
01.01.2016 – 30.09.2016						
Equity as of 01.01.2016	94 950	110 936	3 354	270 847	-	480 087
Registered increase in share capital	870	(870)	-	-	-	-
Cost of incentive program	-	-	3 482	-	-	3 482
Payment in own shares	-	7 036	(3 295)	-	-	3 741
Allocation of net profit/coverage of loss	-	270 847	-	(270 847)	-	-
Total comprehensive income	-	-	(1)	-	168 938	168 937
Equity as of 30.09.2016	95 820	387 949	3 540	-	168 938	656 247

(all figures quoted in PLN thousands unless stated otherwise)

Condensed interim separate statement of cash flows

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016*	01.01.2016 – 30.09.2016*
OPERATING ACTIVITIES				
Net profit (loss)	33 655	139 582	39 740	168 938
Total adjustments:	45 347	61 596	37 739	37 936
Depreciation of fixed assets and intangibles	473	1 345	480	1 742
Depreciation of development projects	-	-	-	31 397
Profit (loss) from exchange rate differences	(105)	85	-	-
Interest and profit sharing (dividends)	(2 173)	(7 196)	(6 035)	(9 981)
Profit (loss) from investment activities	(2)	907	356	382
Change in provisions	5 563	13 084	(39 647)	(30 057)
Change in inventories	54	(100)	(14)	121
Change in receivables	50 998	50 521	43 976	52 900
Change in liabilities excluding credits and loans	(12 056)	(3 246)	35 504	(11 857)
Change in other assets and liabilities	125	(778)	712	(373)
Other adjustments	2 470	6 974	2 407	3 662
Cash flows from operating activities	79 002	201 178	77 479	206 874
Income tax on profit (loss) before taxation	8 343	33 935	9 140	39 929
Income tax (paid)/reimbursed	(10 141)	(43 583)	(12 478)	(54 566)
Net cash flows from operating activities	77 204	191 530	74 141	192 237
INVESTMENT ACTIVITIES				
Inflows	229 931	697 084	168 341	479 949
Liquidation of intangibles and fixed assets	4	63	2	55
Liquidation of financial assets	-	-	-	85
Repayment of long-term loans granted	1 154	1 390	-	-
Closing bank deposits (maturity beyond 3 months)	226 600	688 435	162 300	469 808
Other inflows from investment activities	2 173	7 196	6 039	10 001
Outflows	335 045	955 275	487 002	706 699
Purchases of intangibles and fixed assets	1 805	9 526	3 829	7 581
Expenditures on development projects	16 610	47 517	11 738	39 883
Long-term loans granted	-	2 055	-	-
Opening bank deposits (maturity beyond 3 months)	316 630	896 177	471 435	659 235
Net cash flows from investment activities	(105 114)	(258 191)	(318 661)	(226 750)
FINANCIAL ACTIVITIES				
Inflows	2 311	-	2 838	3 741
Net inflows from issue of shares and other securities, and from capital contributions	-	-	2 838	3 741
Other financial inflows	2 311	-	-	-
Outflows	495	105 974	598	4 483
Capital increase at subsidiary	452	452	-	-
Dividends and other payments due to shareholders	-	100 926	-	-
Payment of liabilities associated with financial lease agreements	43	383	125	484
Interest payments	-	-	4	19
Other outflows from financial activities (incl. cash pool activities)	-	4 213	469	3 980

(all figures quoted in PLN thousands unless stated otherwise)

Net cash flows from financial activities	1 816	(105 974)	2 240	(742)
Total net cash flows	(26 094)	(172 635)	(242 280)	(35 255)
Balance of inflows and outflows	(26 094)	(172 635)	(242 280)	(35 255)
Cash and cash equivalents at beginning of period	34 007	180 548	291 239	84 214
Cash and cash equivalents at end of period	7 913	7 913	48 959	48 959

* adjusted data

Clarifications regarding the separate statement of cash flows

	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016*	01.01.2016 – 30.09.2016*
The "other adjustments" line item comprises:	2 470	6 974	2 407	3 662
Cost of incentive program	2 349	6 759	2 320	3 482
Depreciation aggregated with cost of sales and consortium settlements	121	215	87	180

* adjusted data

Assumption of comparability of financial statements and changes in accounting policies

Changes in accounting policies

The accounting practices applied in preparing this condensed interim separate financial statement, the Management Board's professional judgment concerning the Company's accounting practices as well as the main sources of uncertainty in estimations are in all material aspects consistent with the practices applied in preparing the Separate Financial Statement of CD PROJEKT S.A. for 2016, except for changes in practices and presentation-related adjustments described below. This condensed interim separate financial statement should be read in conjunction with the Company's separate financial statement for the year ending 31 December 2016.

Presentation changes

In preparing this condensed interim separate financial statement for the period between 1 January and 30 September 2017 several changes have been introduced in the presentation of selected financial data. In order to ensure comparability of financial statements, the financial data for the period between 1 July and 30 September 2016 and for the period between 1 January and 30 September 2016, as well as for 31 December 2017 and for 30 June 2017, has been adjusted as follows:

- In the separate profit and loss account for the period between 1 July and 30 September 2016, and between 1 January and 30 September 2016, the presentation of administrative expenses has been adjusted as follows:
  - Separate profit and loss account for the period between 1 July and 30 September 2016
    - Selling costs – adjusted by (721) thousand PLN
    - General and administrative costs – adjusted by 470 thousand PLN
    - Cost of products and services sold – adjusted by 251 thousand PLN
  - Separate profit and loss account for the period between 1 January and 30 September 2016
    - Selling costs – adjusted by (1 780) thousand PLN
    - General and administrative costs – adjusted by 1 102 thousand PLN
    - Cost of products and services sold – adjusted by 678 thousand PLN

  These adjustments have no effect on the Company's financial result or equity.

(all figures quoted in PLN thousands unless stated otherwise)

- In the separate statement of financial position for 31 December 2016 the "Other monetary assets" line item was renamed to "Bank deposits (maturity beyond 3 months)".

- In the separate statement of financial position for 31 December 2016 and in the separate statement of cash flows for the period between 1 July and 30 September 2016 and between 1 January and 30 September 2016 the Company rectified a presentation error concerning short-term bank deposits with maturity periods beyond three months. As a result of this change, the following items have been adjusted:

  - Separate statement of financial position for 31 December 2016
    - Bank deposits (maturity beyond 3 months) – adjusted by 339 835 thousand PLN
    - Cash and cash equivalents – adjusted by (339 835) thousand PLN
  - Separate statement of cash flows for the period between 1 July and 30 September 2016
    - Opening bank deposits (maturity beyond 3 months) – adjusted by 471 435 thousand PLN
    - Closing bank deposits (maturity beyond 3 months) – adjusted by 162 300 thousand PLN
    - Cash and cash equivalents at beginning of period – adjusted by (162 300) thousand PLN
    - Cash and cash equivalents at end of period – adjusted by (471 435) thousand PLN
  - Separate statement of cash flows for the period between 1 January and 30 September 2016
    - Opening bank deposits (maturity beyond 3 months) – adjusted by 659 235 thousand PLN
    - Closing bank deposits (maturity beyond 3 months) – adjusted by 469 808 thousand PLN
    - Cash and cash equivalents at beginning of period – adjusted by (282 008) thousand PLN
    - Cash and cash equivalents at end of period – adjusted by (471 435) thousand PLN

  These adjustments have no effect on the Company's financial result or equity.

- In the separate statement of cash flows for the period between 1 July and 30 September 2016 and between 1 January and 30 September 2016 the presentation of videogame development expenses incurred prior to commencement of sales has been adjusted as follows:

  - Separate statement of cash flows for the period between 1 July and 30 September 2016
    - Depreciation of fixed assets and intangibles – adjusted by (87) thousand PLN
    - Other adjustments – adjusted by 87 thousand PLN
  - Separate statement of cash flows for the period between 1 January and 30 September 2016
    - Depreciation of fixed assets and intangibles – adjusted by (180) thousand PLN
    - Other adjustments – adjusted by 180 thousand PLN.

- In the separate statement of cash flows for the period between 1 July and 30 September 2016 and between 1 January and 30 September 2016 the presentation of liabilities associated with purchases of fixed assets and intangibles has been adjusted as follows:

  - Separate statement of cash flows for the period between 1 July and 30 September 2016
    - Purchases of intangibles and fixed assets – adjusted by 1 370 thousand PLN
    - Change in liabilities excluding credits and loans – adjusted by (1 370) thousand PLN
  - Separate statement of cash flows for the period between 1 January and 30 September 2016
    - Purchases of intangibles and fixed assets – adjusted by (235) thousand PLN
    - Changes in provisions except credits and loans – adjusted by (235) thousand PLN.

Supplementary information concerning the separate financial statement of CD PROJEKT S.A.

Changes in write-downs and provisions reported in the condensed interim separate financial statement of CD PROJEKT S.A. for the period between 1 July and 30 September 2017 are as follows:

- 402 thousand PLN – dissolution of write-downs due to collection of receivables,
- 18 thousand PLN – dissolution of write-downs due to writeoffs of unenforceable receivables,
- 431 thousand PLN – creation of other provisions,
- 306 thousand PLN – reduction in other provisions due to partial use,
- 5 732 thousand PLN – creation of provisions for compensation dependent on financial result,
- 294 thousand PLN – reduction in provisions for compensation dependent on financial result due to partial use.

A. Deferred income tax

Negative temporary differences requiring recognition of deferred tax assets

	31.12.2016*	increases	reductions	30.09.2017
Provisions for other employee benefits	244	43	161	126
Provisions for compensation dependent on financial result	43 045	26 781	13 391	56 435
Fixed assets written off	-	743	743	-
Negative exchange rate differences	1 026	1 523	2 327	222
Other provisions	350	276	347	279
Total negative temporary differences	44 665	29 366	16 969	57 062
Tax rate (Poland)	19%	19%	19%	19%
Total deferred tax assets	8 486	5 580	3 224	10 842

* adjusted data

Positive temporary differences requiring creation of deferred tax provisions

	31.12.2016	increases	reductions	30.09.2017
Difference between net carrying amount and net tax value of fixed assets and intangibles	17 030	4 132	-	21 162
Revaluation of currency contracts (cash flow hedge) at fair value	53	-	53	-
Revenues obtained in the current period but invoiced in future periods	66 465	114 689	157 886	23 268
Positive exchange rate differences	1 002	275	1 165	112
Valuation of shares in other entities	169	-	169	-
Other sources	145	270	12	403
Total positive temporary differences	84 864	119 366	159 285	44 945
Tax rate (Poland)	19%	19%	19%	19%
Total deferred tax provisions	16 124	22 680	30 264	8 540

Balance of deferred tax assets/provisions

	30.09.2017	30.06.2017	31.12.2016
Deferred tax assets	10 842	10 079	8 486
Deferred tax provisions	8 540	15 952	16 124
Net deferred tax assets (provisions)	2 302	(5 873)	(7 638)

(all figures quoted in PLN thousands unless stated otherwise)

Income tax reported in profit and loss account

	01.07.2017 - 30.09.2017	01.01.2017 - 30.09.2017	01.07.2016 - 30.09.2016	01.01.2016 - 30.09.2016
Current income tax	16 518	43 875	10 114	40 910
Change in deferred income tax	(8 175)	(9 940)	(974)	(981)
Income tax reported in profit and loss account	8 343	33 935	9 140	39 929

B. Goodwill

Goodwill from business combinations

	30.09.2017	30.06.2017	31.12.2016
CD Projekt Red sp. z o.o.	39 147	39 147	39 147
Total	39 147	39 147	39 147

Changes in goodwill

No changes in goodwill occurred between 1 July and 30 September 2017.

C. Business combinations

The Company did not merge with any other entity during the reporting period.

D. Investments in subsidiaries

Investments in subsidiaries held at purchase price

	30.09.2017	30.06.2017	31.12.2016
Shares in subsidiaries	15 166	14 423	13 850

The reported increase in the value of shares in subsidiaries is mostly due to allocation of initial share capital of CD PROJEKT Co., Ltd., incorporated in Shanghai.

E. Dividends paid out and collected

The Company did not collect any dividends between 1 July and 30 September 2017.

On 23 May 2017 the Ordinary General Meeting of Shareholders of CD PROJEKT S.A. voted to allocate part of the Company's profit obtained in 2016 towards a dividend payable to Company shareholders. In line with the adopted resolution, on 13 June 2017 the Company paid out a dividend in the amount of 100 926 thousand PLN (1.05 PLN per share). The dividend applied to 96 120 000 shares of the Company.

(all figures quoted in PLN thousands unless stated otherwise)

F. Transactions with affiliates

	Sales to affiliates				Purchases from affiliates			
	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09.2016	01.07.2017 – 30.09.2017	01.01.2017 – 30.09.2017	01.07.2016 – 30.09.2016	01.01.2016 – 30.09.2016
SUBSIDIARIES								
GOG Poland sp. z o.o.	751	1 860	506	1 481	11	20	8	12
GOG Ltd.	5 675	29 276	2 669	17 567	45	146	50	306
CD PROJEKT Brands S.A.	-	-	30	84	-	-	871	2 613
CD PROJEKT Inc.	30	297	86	265	1 127	4 019	1 718	14 681
CD Projekt Co., Ltd.	24	24	-	-	394	1 060	-	-
MANAGEMENT BOARD MEMBERS								
Marcin Iwiński	1	4	1	4	-	-	-	-
Adam Kiciński	1	2	1	2	-	-	-	-
Piotr Nielubowicz	1	4	1	4	-	-	-	-
Michał Nowakowski	2	7	2	7	-	-	-	-
SUPERVISORY BOARD MEMBERS								
Katarzyna Szwarc	-	-	-	-	-	5	-	-

(all figures quoted in PLN thousands unless stated otherwise)

	Receivables from affiliates			Liabilities due to affiliates		
	30.09.2017	30.06.2017	31.12.2016	30.09.2017	30.06.2017	31.12.2016
SUBSIDIARIES						
GOG Poland sp. z o.o.	3 782	5 558	3 093	1 829	4 638	2 061
GOG Ltd.	2 014	8 243	5 540	45	49	53
CD PROJEKT Inc.	582	1 629	1 004	449	361	1 637
CD Projekt Co., Ltd.	14	-	-	231	-	-
MANAGEMENT BOARD MEMBERS						
Marcin Iwiński	3	-	1	1	2	-
Adam Kiciński	-	-	-	1	-	7
Michał Nowakowski	8	-	-	1	3	3
Adam Badowski	-	-	9	-	-	-

(all figures quoted in PLN thousands unless stated otherwise)

Statement of the Management Board of the parent entity

With regard to the correctness of the condensed interim consolidated financial statement

Pursuant to the directive of the Finance Minister of 19 February 2009 regarding the publication of periodic and current reports by issuers of securities, the Management Board of the parent entity hereby states that, to the best of its knowledge, this condensed interim consolidated financial statement and comparative data contained herein have been prepared in accordance with all accounting regulations applicable to the CD PROJEKT Capital Group and that they constitute a true, unbiased and clear description of the finances and assets of the Capital Group as well as its current profit and loss balance.

With regard to the entity charged with assessing the correctness of the condensed interim consolidated financial statement

On 23 May 2017 the Supervisory Board of the parent entity concurred with the recommendation submitted by the Management Board of the Company and selected Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k., headquartered in Warsaw, as the entity charged with assessing the correctness of the semiannual financial statement and performing an audit of the annual financial statement of the Company and its Capital Group for 2017. Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. is present on the list of entities authorized to perform audits of financial statements, maintained by the National Chamber of Statutory Auditors (no. 130).

Approval of financial statement

This financial statement covering the period between 1 July and 30 September 2017 was signed and approved for publication by the Management Board of CD PROJEKT S.A. on 22 November 2017.

Warsaw, 22 November 2017

Adam Kiciński President of the Board	Marcin Iwiński Vice President of the Board	Piotr Nielubowicz Vice President of the Board	Adam Badowski Board Member
Michał Nowakowski Board Member	Oleg Klapovskiy Board Member	Piotr Karwowski Board Member	Rafał Zuchowicz Accounting Officer

(all figures quoted in PLN thousands unless stated otherwise)

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