



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENT OF THE CD PROJEKT  
GROUP FOR THE PERIOD BETWEEN  
1 JULY AND 30 SEPTEMBER 2023**

## 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 Group - Selected financial data translated into EUR**

	PLN		EUR	
	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
Net sales of products, services, goods for resale and materials	767 692	623 507	167 717	133 001
Cost of sales of products, services, goods for resale and materials	251 356	180 561	54 914	38 516
Operating profit/(loss)	281 152	233 882	61 423	49 890
Profit/(loss) before tax	350 364	264 958	76 544	56 518
Net profit/(loss) attributable to owners of CD PROJEKT S.A.	289 981	211 861	63 352	45 192
Net cash from operating activities	244 768	212 084	53 474	45 240
Net cash from investing activities	(183 968)	(321 193)	(40 191)	(68 514)
Net cash from financing activities	(102 395)	(103 788)	(22 370)	(22 139)
Net increase/(decrease) in cash and cash equivalents	(41 595)	(212 897)	(9 087)	(45 413)
Number of shares (in thousands)	100 388	100 739	100 388	100 739
Net earnings/(loss) per share (in PLN)	2.89	2.11	0.63	0.45
Diluted earnings/(loss) per share (in PLN/EUR)	2.89	2.11	0.63	0.45
Book value per share (in PLN/EUR)	22.00	19.82	4.75	4.07
Diluted book value per share (in PLN/EUR)	21.99	19.81	4.74	4.07
Dividend declared or paid per share (in PLN/EUR)	1.00	1.00	0.22	0.21

\* restated data

	PLN		EUR	
	30.09.2023	31.12.2022*	30.09.2023	31.12.2022*
Total assets	2 412 731	2 276 331	520 479	485 369
Liabilities and provisions for liabilities (excluding accruals)	189 411	218 771	40 860	46 647
Non-current liabilities	40 252	36 186	8 683	7 716
Current liabilities	164 335	208 679	35 451	44 495
Equity	2 208 144	2 031 466	476 345	433 158
Share capital	99 911	100 771	21 553	21 487

\* restated data

The financial data presented above were translated to EUR as follows:

- Items of the consolidated income statement and the consolidated cash flow statement were translated at exchange rates calculated as an arithmetic mean of the exchange rates announced by the National Bank of Poland for the euro applicable as at the last day of each month in a given reporting period. These rates were, respectively, as follows: from 1 January to 30 September 2023: 4.5773 PLN/EUR and from 1 January to 30 September 2022: 4.688 PLN/EUR.
- Items of assets, liabilities and equity in the consolidated statement of financial position were translated at exchange rates announced by the National Bank of Poland for the euro applicable on the last day of the reporting period. These rates were, respectively, as follows: 4.6356 PLN/EUR as at 30 September 2023 and 4.6899 PLN/EUR as at 31 December 2022.

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**CD PROJEKT**

## **Key financial data of the CD PROJEKT Group**

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**1**

## Interim condensed consolidated income statement

	Note	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
<b>Sales revenue</b>		<b>442 682</b>	<b>245 514</b>	<b>767 692</b>	<b>623 507</b>
Sales of products	17	390 534	203 189	628 634	489 057
Sales of services	17	455	308	1 041	1 622
Sales of goods for resale and materials	17	51 693	42 017	138 017	132 828
<b>Cost of sales of products, services, goods for resale and materials</b>		<b>143 167</b>	<b>79 200</b>	<b>251 356</b>	<b>180 561</b>
Costs of products and services sold	18	104 410	48 602	148 101	85 640
Cost of goods for resale and materials sold	18	38 757	30 598	103 255	94 921
<b>Gross profit/(loss) on sales</b>		<b>299 515</b>	<b>166 314</b>	<b>516 336</b>	<b>442 946</b>
Selling expenses	18	66 140	45 064	152 470	135 697
Administrative expenses	18	51 300	26 973	111 904	73 862
Other operating income	19	7 412	9 819	40 747	15 204
Other operating expenses	19	3 243	6 783	11 556	14 692
(Impairment)/reversal of impairment of financial instruments		(5)	(9)	(1)	(17)
<b>Operating profit/(loss)</b>		<b>186 239</b>	<b>97 304</b>	<b>281 152</b>	<b>233 882</b>
Finance income	20	60 424	33 219	80 005	68 589
Finance costs	20	12 994	18 276	10 793	37 513
<b>Profit/(loss) before tax</b>		<b>233 669</b>	<b>112 247</b>	<b>350 364</b>	<b>264 958</b>
Income tax	10	30 805	13 358	60 383	53 097
<b>Net profit/(loss)</b>		<b>202 864</b>	<b>98 889</b>	<b>289 981</b>	<b>211 861</b>
Net profit/(loss) attributable to owners of CD PROJEKT S.A.		202 864	98 889	289 981	211 861
<b>Net earnings/(loss) per share (in PLN)</b>					
Basic for the reporting period		2.03	0.98	2.89	2.11
Diluted for the reporting period		2.03	0.98	2.89	2.11

\* restated data

A significant increase, in terms of value, compared with the prior period in **Sales revenue** in the third quarter of 2023 is the result of a successful launch of *Phantom Liberty*, the feature expansion of *Cyberpunk 2077*. The launch, supported by a marketing and communication campaign, took place on 26 September and in the period discussed, the Group recognized in revenues the total value of sales under pre-orders received until the date of the launch and sales in the first days after the launch. This translated into an increase in **Sales of products** in the CD PROJEKT RED segment, where sales of the expansion represented more than a half of the total sales of products, and almost 90% including sales of the main game. In addition, in the item discussed, the CD PROJEKT RED segment recognized:

- licence revenue from the sale of the game *Witcher 3: Wild Hunt*, including expansions: *Hearts of Stone* and *Blood and Wine*;
- revenue relating to the games *GWENT: The Witcher Card Game*, *Witcher 2: Assassins of Kings*, *Thronebreaker: The Witcher Tales* and *The Witcher*;
- licence revenue relating to the CD PROJEKT RED studio's franchises.

In the period discussed, the Group recorded an increase in sales also in **Sales of goods for resale and materials**, which comprised mainly revenue from digital distribution of games from external suppliers to end customers executed via the GOG.COM platform.

The **Cost of products and services sold**, where the cost of amortization of expenditure on development projects (primarily the cost of own games developed in the CD PROJEKT RED segment) is presented, is the first component of the Group's **Cost of sales of products, services, goods for resale and materials**. The value of the said item in the third quarter of 2023 comprised mainly the amortization of expenditure on the *Cyberpunk 2077*, including its expansion *Phantom Liberty*. In connection with the launch of the expansion, the Company assessed the useful economic life and estimated expected benefits from assets associated with the *Cyberpunk 2077* game and, based on the analysis performed, it was decided that:

- starting from the third quarter of 2023, expenditure on the *Cyberpunk 2077* asset, including expenditure on the production of the version of the game dedicated to new generation consoles and expenditure on development projects relating to the *Phantom Liberty* expansion will be amortized according to the same pattern;
- assets will be amortized until the end of 2028;
- the reducing balance method of amortization will be used, with the following pattern of amortization:
  - 20% in the third quarter of 2023;
  - 20% in the fourth quarter of 2023;
  - 5% in each quarter of 2024;
  - 3.5% in each quarter of 2025;
  - 2.5% in each quarter of 2026;
  - 2% in each quarter of 2027 and 2028,

with the amortization rates specified above being applied to the balance of assets relating to the *Cyberpunk 2077* game and its editions for new generation consoles Xbox Series X|S and PlayStation 5 as at the end of June 2023 and to the initial value of the asset relating to *Phantom Liberty*.

An additional increase in the said item in the third quarter of 2023 was attributable to an increase in the provision for liabilities relating to settlements with distributors of the sales and costs of the physical copies of the *Cyberpunk 2077* game totalling PLN 13 041 thousand resulting from updating estimates.

**Cost of goods for resale and materials sold** represents mainly the cost of goods for resale and materials sold via the GOG.COM platform and the cost of physical products sold by the CD PROJEKT RED segment.

In the third quarter of 2023, the largest component of the **Selling expenses** comprised costs relating to the publishing activities, current advertising and promotion of own titles, including salaries and wages of the internal publishing department teams and external sales promotion services. The increase in these costs compared with the prior period resulted mainly from the *Phantom Liberty* promotional campaign conducted by the segment.

The second largest category of the Selling expenses comprised costs recognized in the GOG.COM segment in respect of marketing activities relating to the GOG.COM platform and the work on the development and processing of sales executed through that platform.

The third major category of the selling expenses in the period discussed included the cost of maintenance of the titles published in the CD PROJEKT RED segment. Compared with the third quarter of 2022, the value of maintenance costs was reduced, mainly due to a significant decrease in the costs relating to the work on *Cyberpunk 2077* updates.

**Administrative expenses** of the CD PROJEKT Group comprise mainly:

- a) the fixed and performance-related parts of the remuneration of the Management Boards and top management of the companies where there was an increase in relation to the comparative period resulting mainly from an increase in the provision for performance-related remuneration;
- b) remuneration of the administrative teams and costs of external services classified in this category, which are consistently on the rise in line with the Group's development;
- c) costs of work on the future games incurred at an initial stage (research phase) preceding the execution of the projects (development phase) and the start of their capitalization as part of Expenditure on development projects forming part of Non-current assets, where there was an increase due to expansion of the teams working on the projects at the research stage;
- d) the cost of valuation of the entitlements awarded under the incentive scheme for the years 2020–2025.

Items with the most significant impact on the balance of the Group's **Other operating income and expenses** included recognition of the tax relief for innovative employees, subsidies received, other sales, including costs, and income and costs relating to the lease of office space in the property complex at Jagiellońska 74 and 76 in Warsaw.

In the period discussed, the Group reported an excess of **Finance income** over **Finance costs**. The excess was mainly due to the reversal of a write-down of shares in the acquired company recognized in 2022 in connection with the merger of Spokko sp. z o.o. with CD PROJEKT S.A., the excess of foreign exchange gains over foreign exchange losses and the settlement and valuation of derivative financial instruments hedging foreign exchange risk, and interest on bank deposits and bonds.

The release of the previously recognized write-down of shares in Spokko sp. z o.o. due to its takeover (merger with the Parent Company) discussed above was accompanied, at the same time, by the recognition of income and costs for the current year of the acquired company in the income statement of the Parent Company for the third quarter of 2023 and the recognition of the past results of the acquired company in Equity of the Parent Company under Retained earnings.



The effective **income tax** rate recognized in the income statement for the third quarter of the current year was 13.2% compared to 11.9% in the third quarter of 2022, and the increase is mainly due to a change in the approach to recognition of non-deductible income tax collected in other jurisdictions on royalties paid to the Group (withholding tax), which involves its ongoing recognition on the basis of reliable estimates. This is a change from the previous approach under which the recognition of non-deductible withholding tax only occurred upon receiving documents confirming the settlement of the tax abroad, i.e. in the year following the year of the actual withholding by the Company's royalty payer.

In addition, the increase in Income tax was affected by an increased deferred tax provision resulting mainly from the recognition of expenditure on the *Phantom Liberty* expansion and the increased balance of current period revenue invoiced in the following period compared to the third quarter of 2022, which is also due in large part to the release of the *Cyberpunk 2077 Phantom Liberty* expansion.

The consolidated **Net profit** of the Group for the third quarter of 2023 amounted to PLN 202 864 thousand and was significantly higher than in the corresponding period of the prior year, mainly as a result of the successful launch of the *Phantom Liberty* expansion.

## Interim condensed consolidated statement of comprehensive income

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
<b>Net profit/(loss)</b>	<b>202 864</b>	<b>98 889</b>	<b>289 981</b>	<b>211 861</b>
<b>Other comprehensive income subject to reclassification to gains or losses after specific conditions have been met:</b>				
Exchange differences on measurement of foreign operations	1 607	1 896	(89)	3 448
Measurement of derivative financial instruments - fair value through other comprehensive income, taking into account the tax effect	(479)	(6 298)	(142)	(14 289)
<b>Other comprehensive income not subject to reclassification to gains or losses</b>	-	-	-	-
<b>Total comprehensive income</b>	<b>203 992</b>	<b>94 487</b>	<b>289 750</b>	<b>201 020</b>
Total comprehensive income attributable to non-controlling interests	-	-	-	-
<b>Total comprehensive income attributable to owners of CD PROJEKT S.A.</b>	<b>203 992</b>	<b>94 487</b>	<b>289 750</b>	<b>201 020</b>

\* restated data

## Interim condensed consolidated statement of financial position

	Note	30.09.2023	30.06.2023*	31.12.2022*
<b>NON-CURRENT ASSETS</b>		<b>1 274 924</b>	<b>1 300 586</b>	<b>1 122 185</b>
Property, plant and equipment	2	171 619	161 009	145 252
Intangible assets	3	69 507	69 785	69 157
Expenditure on development projects	3	575 418	600 099	475 169
Investment properties	5	34 612	37 429	42 560
Goodwill	3.4	56 438	56 438	56 438
Shares in non-consolidated subordinated entities		40 863	43 477	41 607
Prepayments and deferred costs	9	48 503	42 727	31 074
Other financial assets	8.16	254 687	242 203	207 437
Deferred tax assets	10	22 897	47 044	53 102
Other receivables	7.16	380	375	389
<b>CURRENT ASSETS</b>		<b>1 137 807</b>	<b>883 921</b>	<b>1 154 146</b>
Inventories	6	7 463	8 118	12 701
Trade receivables	7.16	287 833	83 557	165 290
Current income tax receivable		14 853	12 356	1 458
Other receivables	7	33 747	42 359	57 139
Prepayments and deferred costs	9	26 386	21 494	22 886
Other financial assets	8.16	268 043	249 576	279 515
Bank deposits over 3 months	16	263 250	317 125	337 330
Cash and cash equivalents	16	236 232	149 336	277 827
<b>TOTAL ASSETS</b>		<b>2 412 731</b>	<b>2 184 507</b>	<b>2 276 331</b>

\* restated data

The item **Expenditure on development projects**, in which the Group recognizes expenditure on the development of new games, new technologies and other products of a similar nature, incurred and deferred, had the largest share in the value of the Group's **Non-current assets** as at the end of the third quarter of 2023, as well as the greatest impact on the decrease in the balance thereof. The decrease in the said item in the period discussed is due to the commencement of the amortization of the *Phantom Liberty* expansion after its launch and increased amortization rates on other assets relating to the main game *Cyberpunk 2077*.

Moreover, in non-current assets, the Group recorded an increase in the balance of **Property, plant and equipment** in the period discussed. The increase was mainly due to expenditure on construction work at the CD PROJEKT campus in Warsaw (assets under construction).

A decrease in **Shares in non-consolidated subordinated entities** is mainly due to the final settlement of the merger of Spokko sp. z o.o. with CD PROJEKT S.A.

**Other financial assets**, current and non-current, include mainly domestic and foreign Treasury bonds purchased as part of credit risk diversification.

The consolidated value of the current and non-current **Prepayments and deferred costs** recognized as at the end of the analysed period was mainly affected by the amount of the so-called minimum guarantees, i.e. advances and prepayments made by GOG.COM to its suppliers towards fees for the distribution of games offered on the GOG.COM platform, recognized in the GOG.COM segment. The Group also recognizes the settlement of subscriptions for utility software under this item.

As at the end of September 2023, the Group's **Other receivables** included, in particular, tax receivables and advance payments made by CD PROJEKT RED in respect of development projects, goods for resale and services.

The consolidated balance of **Trade receivables** increased compared with 30 June 2023 mainly as a result of a strong increase in sales associated with the launch of the *Phantom Liberty* game during the current period, especially in September 2023 when the premiere took place. This naturally resulted in an increase in the balance of receivables relating to licences in the CD PROJEKT RED segment as at the balance sheet date.

The total amount of financial reserves in the form of **Cash and cash equivalents**, **Bank deposits over 3 months** and liquid financial assets in the form of purchased Treasury bonds (recognized in total in current and non-current Other financial assets) held by the Group as at 30 September 2023 amounted to PLN 1 014 652 thousand.

	Note	30.09.2023	30.06.2023*	31.12.2022*
<b>EQUITY</b>		<b>2 208 144</b>	<b>2 030 808</b>	<b>2 031 466</b>
<b>Equity of the shareholders of CD PROJEKT S.A.</b>		<b>2 208 144</b>	<b>2 030 808</b>	<b>2 031 466</b>
Share capital	11.22	99 911	99 911	100 771
Supplementary capital		1 714 604	1 714 604	1 567 325
Share premium		116 700	116 700	116 700
Treasury shares		-	-	(99 993)
Other reserves		15 930	12 984	2 255
Foreign exchange differences on translation		1 815	208	1 904
Retained earnings		(30 797)	(3 818)	(3 987)
Net profit (loss) for the period		289 981	90 219	346 491
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>		<b>40 252</b>	<b>30 041</b>	<b>36 186</b>
Other financial liabilities	16	19 640	18 206	18 883
Other liabilities	14	2 501	2 500	2 620
Deferred tax provision	10	49	46	50
Deferred income	15	2 069	2 753	3 669
Provision for retirement and similar benefits	12	366	366	366
Other provisions	13	15 627	6 170	10 598
<b>CURRENT LIABILITIES</b>		<b>164 335</b>	<b>123 658</b>	<b>208 679</b>
Other financial liabilities	16	14 239	8 478	9 578
Trade payables	16	67 302	49 870	72 119
Current income tax liabilities		147	-	2 116
Other liabilities	14	13 722	10 760	10 244
Deferred income	15	13 107	25 611	22 425
Provision for retirement and similar benefits	12	7 156	6 909	4 155
Other provisions	13	48 662	22 030	88 042
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 412 731</b>	<b>2 184 507</b>	<b>2 276 331</b>

\* restated data

As at the end of the third quarter of 2023, the value of **Equity** of the CD PROJEKT Group amounted to PLN 2 208 144 and was PLN 177 336 thousand higher compared with 30 June 2023, mainly due to the Net profit for the period generated in the current period. The largest negative impact on the value of Equity was the recognition of the past profits of the acquired Spokko sp. z o.o., which were recognized under Retained earnings.

An increase in current and non-current **Other financial liabilities** in the period discussed is mainly due to the remeasurement of instruments hedging the foreign exchange risk related to holding foreign Treasury bonds denominated in foreign currencies. In this item, the Group also recognizes liabilities in respect of the perpetual usufruct of land at the Jagiellońska 74 and Jagiellońska 76 complexes in Warsaw and liabilities in respect of payment of a part of the purchase price of the shares in The Molasses Flood with a deferred payment term.

An increase in the balance of the Group's **Trade payables** is due to the current operations of the GOG.COM segment and an increase in payables relating to royalties in respect of sales made in the current period.

The total of the Group's **Other liabilities** in the period discussed comprised mainly current tax liabilities (VAT, PIT, withholding tax) and social security liabilities.

The balance of the CD PROJEKT Group's **Deferred income** as at the end of September 2023 comprises mainly the following:

- GOG.COM – deferred income settlements with the Company's customers (including the Store credit and Wallet granted);
- CD PROJEKT RED and GOG.COM – deferred income concerning subsidies;
- CD PROJEKT RED – sales relating to future periods – the so-called minimum guarantees, i.e. advances towards royalties related to sales in future periods, received or receivable from publishers and distribution partners;
- GOG.COM – sales relating to future periods – the value of pre-orders for games with a release date in future periods, placed by customers.



Compared with the end of June 2023, the balance of the item discussed decreased mainly due to the execution of pre-orders for the *Phantom Liberty* expansion, both in the CD PROJEKT RED and GOG.COM segments.

The balance of the current and non-current **Provision for retirement and similar benefits** includes primarily a holiday pay provision in the CD PROJEKT RED segment.

The increase in the balance of **Other provisions** of the CD PROJEKT Group in the third quarter of 2023 concerned mainly the CD PROJEKT RED segment and was primarily due to the recognition of provisions for performance-related remuneration for the current period and an increase in the value of the provision for liabilities relating to settlements with sales distributors and the costs of physical copies of the *Cyberpunk 2077* game, resulting from updated estimates.

## Interim condensed statement of changes in consolidated equity

	Share capital	Supplementary capital	Share premium	Treasury shares	Other reserves	Foreign exchange differences on translation	Retained earnings	Net profit (loss) for the period	Equity of the shareholders of CD PROJEKT S.A.	Non-controlling interests	Total equity
<b>01.01.2023 – 30.09.2023</b>											
<b>Equity as at 01.01.2023</b>	<b>100 771</b>	<b>1 567 325</b>	<b>116 700</b>	<b>(99 993)</b>	<b>2 255</b>	<b>1 904</b>	<b>344 442</b>	-	<b>2 033 404</b>	-	<b>2 033 404</b>
Corrections of errors	-	-	-	-	-	-	(1 938)	-	(1 938)	-	(1 938)
<b>Equity, as adjusted</b>	<b>100 771</b>	<b>1 567 325</b>	<b>116 700</b>	<b>(99 993)</b>	<b>2 255</b>	<b>1 904</b>	<b>342 504</b>	-	<b>2 031 466</b>	-	<b>2 031 466</b>
Costs of the incentive plan	-	-	-	-	13 816	-	-	-	13 816	-	13 816
Appropriation of the net profit/offset of loss	-	246 412	-	-	-	-	(246 412)	-	-	-	-
Payment of dividend	-	-	-	-	-	-	(99 911)	-	(99 911)	-	(99 911)
Redemption of Treasury shares	(860)	(99 133)	-	99 993	-	-	-	-	-	-	-
Retained earnings of the acquired entity	-	-	-	-	-	-	(26 978)	-	(26 978)	-	(26 978)
Total comprehensive income	-	-	-	-	(141)	(89)	-	289 981	289 751	-	289 751
<b>Equity as at 30.09.2023</b>	<b>99 911</b>	<b>1 714 604</b>	<b>116 700</b>	<b>-</b>	<b>15 930</b>	<b>1 815</b>	<b>(30 797)</b>	<b>289 981</b>	<b>2 208 144</b>	-	<b>2 208 144</b>

	Share capital	Supplementary capital	Share premium	Treasury shares	Other reserves	Foreign exchange differences on translation	Retained earnings	Net profit (loss) for the period	Equity of the shareholders of CD PROJEKT S.A.	Non-controlling interests	Total equity
<b>01.01.2022 – 30.09.2022</b>											
<b>Equity as at 01.01.2022</b>	<b>100 739</b>	<b>1 425 647</b>	<b>115 909</b>	-	<b>47 994</b>	<b>1 591</b>	<b>202 476</b>	-	<b>1 894 356</b>	-	<b>1 894 356</b>
Corrections of errors	-	-	-	-	-	-	(1 336)	-	(1 336)	-	(1 336)
<b>Equity, as adjusted</b>	<b>100 739</b>	<b>1 425 647</b>	<b>115 909</b>	-	<b>47 994</b>	<b>1 591</b>	<b>201 140</b>	-	<b>1 893 020</b>	-	<b>1 893 020</b>
Costs of the incentive plan	-	-	-	-	3 285	-	-	-	3 285	-	3 285
Appropriation of the net profit/offset of loss	-	104 388	-	-	-	-	(104 388)	-	-	-	-
Payment of dividend	-	-	-	-	-	-	(100 739)	-	(100 739)	-	(100 739)
Total comprehensive income	-	-	-	-	(14 289)	3 448	-	211 861	201 020	-	201 020
<b>Equity as at 30.09.2022</b>	<b>100 739</b>	<b>1 530 035</b>	<b>115 909</b>	-	<b>36 990</b>	<b>5 039</b>	<b>(3 987)</b>	<b>211 861</b>	<b>1 996 586</b>	-	<b>1 996 586</b>



## Interim condensed consolidated statement of cash flows

	Note	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
<b>OPERATING ACTIVITIES</b>					
<b>Net profit/(loss)</b>		<b>202 864</b>	<b>98 889</b>	<b>289 981</b>	<b>211 861</b>
<b>Total adjustments:</b>	<b>30</b>	<b>(111 979)</b>	<b>(42 358)</b>	<b>(85 935)</b>	<b>(17 467)</b>
Depreciation and amortization of property, plant and equipment, intangible assets, expenditure on development projects and investment properties		3 271	3 425	9 942	10 771
Amortization of development projects recognized as cost of goods sold		93 935	48 325	137 148	84 541
Foreign exchange (gains)/losses		(14 819)	(19 888)	4 024	(24 769)
Interest and shares in profits		(10 466)	(9 168)	(35 831)	(26 719)
(Gains)/losses on investing activities		(14 501)	13 796	(57 543)	15 282
Increase/(Decrease) in provisions		36 413	13 066	(11 526)	(36 231)
(Increase)/Decrease in inventories		655	644	5 238	1 394
(Increase)/Decrease in receivables		(205 052)	(87 658)	(126 129)	(15 016)
Increase/(Decrease) in liabilities, excluding loans and borrowings		17 197	4 762	1 768	12 285
Change in other assets and liabilities		(23 916)	(11 201)	(32 028)	(45 874)
Other adjustments		5 304	1 539	19 002	6 869
<b>Cash from operating activities</b>		<b>90 885</b>	<b>56 531</b>	<b>204 046</b>	<b>194 394</b>
Income tax expense		21 150	6 636	34 769	21 741
Withholding tax paid abroad		9 655	6 722	25 614	31 356
Income tax (paid)/refunded		1 649	(454)	(19 661)	(35 407)
<b>Net cash from operating activities</b>		<b>123 339</b>	<b>69 435</b>	<b>244 768</b>	<b>212 084</b>

\* restated data

	Note	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>INVESTING ACTIVITIES</b>					
<b>Inflows</b>		<b>144 830</b>	<b>92 054</b>	<b>565 856</b>	<b>553 821</b>
Sale of intangible assets and property, plant and equipment		129	260	642	274
Repayment of loans granted		1 002	-	1 002	12 202
Sale of shares in a subsidiary		-	-	-	76
Expiry of bank deposits over 3 months		124 680	-	454 650	265 000
Redemption of bonds		-	84 853	56 411	257 943
Interest on bonds		1 637	1 147	8 116	3 250
Interest received on deposits		5 912	5 794	23 249	14 811
Inflows from execution of forward contracts		11 470	-	21 743	-
Other inflows from investing activities		-	-	43	265
<b>Outflows</b>		<b>180 594</b>	<b>546 181</b>	<b>749 824</b>	<b>875 014</b>
Acquisition of intangible assets and property, plant and equipment		10 310	10 333	40 004	35 953
Expenditure on development projects		64 831	55 831	227 448	145 542
Expenditure on intangible assets		345	-	724	-
Acquisition of investment properties and capitalization of expenditure		57	-	155	145
Loans granted		-	-	4 215	3 400
Purchase of shares in a subsidiary		-	-	3 488	-
Contribution to the capital of a subsidiary		-	2 308	-	28 318
Purchase of bonds and cost of their purchase		34 246	57 380	93 220	225 500
Placement of bank deposits over 3 months		70 805	410 544	380 570	410 544
Outflows from execution of forward contracts		-	9 785	-	25 548
Other outflows on investing activities		-	-	-	64
<b>Net cash from investing activities</b>		<b>(35 764)</b>	<b>(454 127)</b>	<b>(183 968)</b>	<b>(321 193)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Inflows</b>		<b>1</b>	<b>10</b>	<b>31</b>	<b>30</b>
Payment of finance lease liabilities		1	10	31	30
<b>Outflows</b>		<b>680</b>	<b>101 658</b>	<b>102 426</b>	<b>103 818</b>
Dividends and other payments to shareholders		-	100 739	99 911	100 739
Payment of lease liabilities		480	782	1 920	2 675
Interest paid		200	137	595	404
<b>Net cash used in financing activities</b>	<b>31</b>	<b>(679)</b>	<b>(101 648)</b>	<b>(102 395)</b>	<b>(103 788)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>86 896</b>	<b>(486 340)</b>	<b>(41 595)</b>	<b>(212 897)</b>
<b>Change in cash and cash equivalents in the balance sheet</b>		<b>86 896</b>	<b>(486 340)</b>	<b>(41 595)</b>	<b>(212 897)</b>
<b>Cash and cash equivalents as at the beginning of the period</b>		<b>149 336</b>	<b>685 029</b>	<b>277 827</b>	<b>411 586</b>
<b>Cash and cash equivalents as at the end of the period</b>		<b>236 232</b>	<b>198 689</b>	<b>236 232</b>	<b>198 689</b>

In the third quarter of 2023, the CD PROJEKT Group reported positive **Net cash from operating activities** of PLN 123 339 thousand.

The consolidated net profit was adjusted for:

- a) Non-cash items (an increase in total):
  - **Depreciation and amortization;**
  - **Amortization of development projects recognized as cost of goods sold** which comprises the amortization of expenditure on the development projects *Cyberpunk 2077* together with the *Phantom Liberty expansion* and *The Witcher 3: Wild Hunt Complete Edition* for new generation consoles Xbox Series X|S and PlayStation5;
  - **Foreign exchange gains/(losses)**, a decrease resulting mainly from the elimination of foreign exchange gains/(losses) on the remeasurement of foreign Treasury bonds held by the CD PROJEKT RED segment;
  - **Increase/(Decrease) in provisions**, an increase relating to an increase in provisions for liabilities;
  - **Other adjustments**, an increase resulting mainly from the elimination of the accounting settlement of the costs of the incentive plan and accounting for the merger of Spokko sp. z o.o. with CD PROJEKT S.A.
- b) Items related to changes in current assets and current liabilities (a decrease in total):
  - **(Increase)/Decrease in inventories**, an increase in the balance of cash flows as a result of a drop in inventories;
  - **(Increase)/Decrease in receivables**, a decrease in the balance of cash flows mainly due to an increase in the balance of trade receivables of the CD PROJEKT RED segment as at the end of the third quarter of 2023 in connection with an increase in sales in connection with the launch of the *Phantom Liberty expansion* on 26 September;
  - **Increase/(decrease) in liabilities, excluding loans and borrowings**, an increase in the balance of cash flows in consequence of an increase in the balance of the Group's liabilities;
  - **Change in other assets and liabilities**, a decrease in the balance of cash flows resulting mainly from the settlement of pre-orders for *Phantom Liberty* by the CD PROJEKT RED and GOG.COM segments and an increase in the balance of prepayments and deferred costs in the GOG.COM segment.
- c) Items reported in other sections of the statement of cash flows – **Interest and shares in profits** and **(Gains)/losses on investing activities** which resulted in a decrease in the balance of cash flows from operating activities;
- d) Difference between the corporate income tax recognized in the income statement and the tax actually paid during the third quarter of 2023, taking into account settlements related to withholding tax.

The outflows relating to expenditure incurred on development projects had the largest effect on the negative balance of **Net cash flows from investing activities** during the third quarter of the current year.

In the third quarter of 2023, the CD PROJEKT Group did not generate any material **Net cash flows from financing activities**.

In total, in the third quarter of 2023, the CD PROJEKT Group generated **Net cash inflows** of PLN 86 896 thousand.



CD PROJEKT

# Notes to the interim condensed consolidated financial statements

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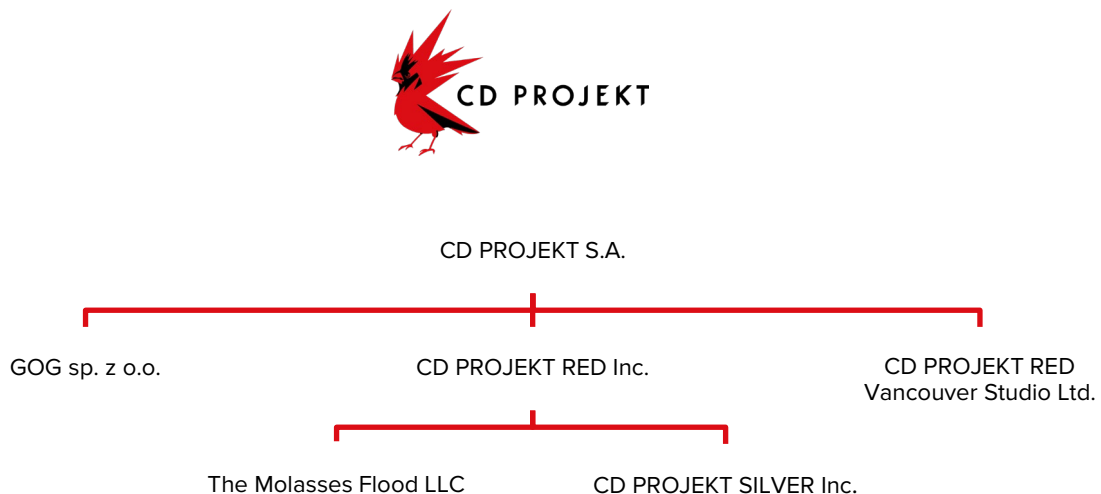


## General Information

Name of reporting entity:	CD PROJEKT S.A. (there have been no changes in the name of the reporting entity since the end of the prior reporting period)
Legal form:	a joint stock company ( <i>spółka akcyjna</i> )
Registered office:	Jagiellońska 74, 03-301 Warsaw
Country of registration:	Poland
Core activities:	CD PROJEKT S.A. is the holding company of the CD PROJEKT Group which operates in the CD PROJEKT RED and GOG.COM segments.
Principal place of business:	Warsaw
Registration body:	District Court for the Capital City of Warsaw in Warsaw, 14th Business Department of the National Court Register
Statistical number (REGON):	492707333
Tax identification number (NIP):	7342867148
Number in the BDO register (national waste management database):	000141053
Duration of the Group:	unspecified
Name of parent entity:	CD PROJEKT S.A.
Name of the ultimate parent of the Group:	CD PROJEKT S.A.

## Presentation of the Group

### Subsidiaries



## Consolidation policies

### Consolidated companies – as at 30 September 2023

	% share in capital	% share of voting rights	consolidation method
<b>CD PROJEKT S.A.</b>	parent entity	-	-
<b>GOG sp. z o.o.</b>	100%	100%	acquisition accounting
<b>CD PROJEKT RED Inc.</b>	100%	100%	acquisition accounting
<b>CD PROJEKT RED Vancouver Studio Ltd.</b>	100%	100%	not consolidated
<b>The Molasses Flood LLC</b>	71%	71%	not consolidated
<b>CD PROJEKT SILVER Inc.</b>	100%	100%	not consolidated

In accordance with the accounting policy adopted by the Group, the parent entity does not have to consolidate a subsidiary using the acquisition accounting method if:

- the subsidiary's share in the parent entity's total assets does not exceed 2%;
- the share in the parent entity's revenue from sales and financial transactions does not exceed 1%,

where those transactions between the subsidiary and its parent entity which would be eliminated during consolidation are not taken into account when determining whether the said thresholds have been exceeded.

In total, the financial data of the subsidiaries eliminated from consolidation may not exceed:

- 5% of the share in the parent entity's total assets;
- 2% of the share in the parent entity's revenue from sales and financial transactions,

where those transactions between the subsidiary and its parent entity which would be eliminated during consolidation are not taken into account when determining whether the said thresholds have been exceeded.

## Subsidiaries

Subsidiaries are all and any entities over which the Group has control which manifests itself by, simultaneously:

- having power, consisting of having substantive rights that give the Group the current ability to manage the relevant activities, i.e. those activities which affect the entity's financial results significantly;
- being exposed or having rights to variable returns, consisting of having the potential to change the financial results of the Group depending on the results of the subsidiary;
- having the ability to use the power exercised to affect its returns from the subsidiary by using its power in order to affect the financial results attributable to the Group resulting from the involvement in the subsidiary.

Subsidiaries are fully consolidated from the date on which the Group assumed control over them. They cease to be consolidated from the date that control ceases.

Revenue and costs, receivables and payables and unrealized gains on transactions between Group companies are eliminated for the purposes of the consolidated financial statements. Unrealized losses are also eliminated, unless the transaction is an impairment indicator of the asset transferred. The accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.



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## Basis of preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard No. 34 *Interim Financial Reporting* endorsed by the EU ("IAS 34").

The interim condensed consolidated financial statements do not comprise all the information and disclosures which are required in annual financial statements and should be read jointly with the consolidated financial statements of the Group for the year ended 31 December 2022, approved for publication on 30 March 2023.

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## Going concern assumption

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group and the Parent Company will continue in operation as going concerns in the foreseeable future, i.e. in the period of at least 12 months after the balance sheet date.

As at the date of these financial statements being signed, the Management Board of the Parent Company did not identify any facts or circumstances which would indicate any threats to the Group continuing in operation as a going concern for a period of 12 months after the end of the reporting period as a result of intended or forced discontinuation or significant curtailment of its operations to date.

By the date of preparation of the consolidated financial statements for the period from 1 July to 30 September 2023, the Management Board of the Parent Company did not become aware of any events which should have been but were not recognized in the accounting records for the reporting period. At the same time, there were no significant prior year events not disclosed in these financial statements.

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## Compliance with the International Financial Reporting Standards

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard No. 34 *Interim Financial Reporting* and in accordance with the relevant International Financial Reporting Standards (IFRS) applicable to interim financial reporting, endorsed by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), applicable as at 30 September 2023.

The Group intends to apply changes to IFRS published but not yet binding by the date of publication of these interim condensed consolidated financial statements in accordance with their effective dates. Information on standards and interpretations adopted for the first time, early adoption of the standards, standards effective on or after 1 January 2023 and the assessment of the impact of IFRS changes on the future consolidated financial statements of the Group was presented in the second part of the Consolidated Financial Statements for 2022.

### Amendments to standards or interpretations effective from 1 January 2023, applicable and adopted by the Group

- **IFRS 17 Insurance Contracts** - endorsed on 19 November 2021, applicable to reporting periods beginning on or after 1 January 2023;
- Amendments to **IAS 1 Presentation of Financial Statements** and **IFRS Practice Statement 2: Disclosure of Accounting Policies** (published on 12 February 2021) - endorsed on 2 March 2022 and applicable to annual periods beginning on or after 1 January 2023;
- Amendments to **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors** - endorsed on 2 March 2022 and applicable to periods beginning on or after 1 January 2023;
- Amendments to **IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction** - endorsed on 11 August 2022 and applicable to periods beginning on or after 1 January 2023;



- Amendments to **IFRS 17 Insurance Contracts** concerning *Initial Application of IFRS 17 and IFRS 9 - Comparative Information* - endorsed on 8 September 2022 and applicable to periods beginning on or after 1 January 2023;
- Amendments to **IAS 12 The International Tax Reform - Pillar Two Model Rules** - endorsed on 8 November 2023, applicable to reporting periods beginning on or after 1 January 2023.

These amendments have no material impact on the accounting policies adopted by the Group with regard to the Group's operations or its financial results.

### Standards published and endorsed by the EU but not yet effective and their impact on the Group's financial statements

- Amendments to **IFRS 16 Leases: Lease Liability in a Sale and Leaseback** - applicable to reporting periods beginning on or after 1 January 2024.

The Group does not expect a material impact of the amendments introduced on the accounting policies applied by the Group with regard to the Group's operations or its net profit or loss.

### Standards and interpretations adopted by the IASB but not yet endorsed by the EU

When approving these financial statements, the Group did not apply the following standards, amendments and interpretations which have not yet been endorsed by the EU:

- Amendment to **IAS 1 Presentation of financial statements: Classification of liabilities as current or non-current and Non-current Liabilities with Covenants** - applicable to reporting periods beginning on or after 1 January 2024;
- Amendments to **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements** - applicable to reporting periods beginning on or after 1 January 2024;
- Amendments to **IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability** - applicable to reporting periods beginning on or after 1 January 2025.

The Group is analysing the estimated impact of the standards and amendments listed above on the Group's financial statements.

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## Functional currency and presentation currency

### Functional currency and presentation currency

The functional currency of the Group and the Parent Company and the reporting currency of these financial statements is the Polish zloty (PLN). Unless stated otherwise, all data is presented in thousands of Polish zlotys (PLN '000).

### Transactions and balances

Transactions expressed in foreign currencies are translated into the functional currency based on the exchange rate as at the transaction date. Foreign exchange gains and losses on the settlement of these transactions and the translation of monetary assets and liabilities as at the balance sheet date are recognized in the income statement, unless they are deferred in equity, when they qualify for recognition as cash flow hedges and hedges of a net investment.

## Assumption of comparability of the financial statements and changes in accounting policies

The accounting policies applied in these interim condensed consolidated financial statements, material judgments made by the Management Board with regard to the accounting policies applied by the Group and the main sources of estimating uncertainties are consistent, in all material respects, with the policy adopted for preparing the annual consolidated financial statements of the CD PROJEKT Group for 2022, with the exception of changes in the accounting policies and presentation changes described below. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022.

### Presentation changes and correction of errors

In these interim condensed consolidated financial statements for the period from 1 July to 30 September 2023, adjustments to certain financial data were made. In order to ensure comparability of the financial data in the reporting period, the data for the period from 1 July to 30 September 2022, from 1 January to 30 September 2022 and as at 31 December 2022 and 30 June 2023 were adjusted. The data are presented after the following corrections:

- In the statement of financial position as at 31 December 2022, provisions for holiday pay were entered. Consequently, the following items changed:
  - Expenditure on development projects – an increase of PLN 1 967 thousand;
  - Deferred income tax assets – an increase of PLN 240 thousand;
  - Retained earnings – a decrease of PLN 1 336 thousand;
  - Net profit (loss) for the period – a decrease of PLN 602 thousand;
  - Provision for retirement and similar benefits – an increase of PLN 4 145 thousand.

The change affected the Net profit or loss and Equity.

- In the statement of financial position as at 30 June 2023, provisions for holiday pay were entered. Consequently, the following items changed:
  - Expenditure on development projects – an increase of PLN 3 524 thousand;
  - Deferred income tax assets – an increase of PLN 386 thousand;
  - Retained earnings – a decrease of PLN 1 937 thousand;
  - Net profit (loss) for the period – a decrease of PLN 1 052 thousand;
  - Provision for retirement and similar benefits – an increase of PLN 6 899 thousand.

The change affected the Net profit or loss and Equity.

- In the statement of cash flows for the period from 1 July to 30 September 2022, provisions for holiday pay were recognized. Consequently, the following items changed:
  - Net profit/(loss) – an increase of PLN 185 thousand;
  - Increase/(Decrease) in provisions – a decrease of PLN 209 thousand;
  - Income tax expense – an increase of PLN 24 thousand.
- In the statement of cash flows for the period from 1 January to 30 September 2022, provisions for holiday pay were recognized. Consequently, the following items changed:
  - Net profit/(loss) – a decrease of PLN 601 thousand;
  - Increase/(Decrease) in provisions – an increase of PLN 683 thousand;
  - Income tax expense – a decrease of PLN 82 thousand.

- In the income statement for the period from 1 July to 30 September 2022, provisions for holiday pay were recognized. Consequently, the following items changed:
  - Administrative expenses – a decrease of PLN 209 thousand;
  - Income tax – an increase of PLN 24 thousand.

The change affected the Net profit or loss and Equity.

- In the income statement for the period from 1 January to 30 September 2022, provisions for holiday pay were recognized. Consequently, the following items changed:
  - Administrative expenses – an increase of PLN 683 thousand;
  - Income tax – a decrease of PLN 82 thousand.

The change affected the Net profit or loss and Equity.

In these interim condensed consolidated financial statements for the period from 1 July to 30 September 2023, changes were introduced in the presentation of selected financial data. In order to ensure comparability of the financial data in the reporting period, presentation of the data for the period from 1 July to 30 September 2022 and from 1 January to 30 September 2022 was changed. The data are presented after the following adjustment:

- In the income statement for the period from 1 July 2022 to 30 September 2022, the presentation of the provisions for the variable component of the performance-related remuneration of the Management Board Members was changed. Consequently, the following items changed:
  - Selling expenses – a decrease of PLN 9 315 thousand;
  - Administrative expenses – an increase of PLN 9 315 thousand.

The change did not affect the Net profit or loss or Equity.

- In the income statement for the period from 1 January to 30 September 2022, the presentation of the provisions for the variable component of the performance-related remuneration of the Management Board Members was changed. Consequently, the following items changed:
  - Selling expenses – a decrease of PLN 20 023 thousand;
  - Administrative expenses – an increase of PLN 20 023 thousand.

The change did not affect the Net profit or loss or Equity.

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## Audit by the registered auditor

These interim condensed consolidated financial statements, including the selected elements of the interim condensed separate financial statements, were not audited or reviewed by an independent registered auditor.



**CD PROJEKT**

## **Notes – operating segments of the CD PROJEKT Group**

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## Operating segments

### **Presentation of the financial statements, taking into account operating segments**

The scope of the financial information provided on the Group's operating segments is consistent with the requirements of IFRS 8. The segments' results are determined based on their net profits.

### **Description of differences in the basis for determination of segments and the profit or loss of a segment compared with the last annual consolidated financial statements**

The Group did not make any changes in the determination of segments or in the measurement of the profits or losses of the individual segments in relation to the financial statements for the year ended 31 December 2022.

There are no differences between the measurement of the assets, liabilities, profits and losses of the Group's reporting segments.





## Information on individual operating segments

	Continuing operations		Consolidation eliminations	Total continuing operations
	CD PROJEKT RED	GOG.COM		
<b>01.07.2023 – 30.09.2023</b>				
<b>Sales revenue</b>	<b>382 042</b>	<b>83 700</b>	<b>(23 060)</b>	<b>442 682</b>
from external customers	358 982	83 700	-	442 682
between segments	23 060	-	(23 060)	-
<b>Net profit/(loss) of the segment</b>	<b>195 256</b>	<b>7 590</b>	<b>18</b>	<b>202 864</b>

	Continuing operations		Consolidation eliminations	Total continuing operations
	CD PROJEKT RED	GOG.COM		
<b>01.07.2022 – 30.09.2022*</b>				
<b>Sales revenue</b>	<b>205 157</b>	<b>44 022</b>	<b>(3 665)</b>	<b>245 514</b>
from external customers	201 560	43 954	-	245 514
between segments	3 597	68	(3 665)	-
<b>Net profit/(loss) of the segment</b>	<b>97 562</b>	<b>1 306</b>	<b>21</b>	<b>98 889</b>

\* restated data

	Continuing operations		Consolidation eliminations	Total continuing operations
	CD PROJEKT RED	GOG.COM		
<b>01.01.2023 – 30.09.2023</b>				
<b>Sales revenue</b>	<b>626 109</b>	<b>168 222</b>	<b>(26 639)</b>	<b>767 692</b>
from external customers	599 538	168 154	-	767 692
between segments	26 571	68	(26 639)	-
<b>Net profit/(loss) of the segment</b>	<b>282 521</b>	<b>7 449</b>	<b>11</b>	<b>289 981</b>

	Continuing operations		Consolidation eliminations	Total continuing operations
	CD PROJEKT RED	GOG.COM		
<b>01.01.2022 – 30.09.2022*</b>				
<b>Sales revenue</b>	<b>500 722</b>	<b>132 773</b>	<b>(9 988)</b>	<b>623 507</b>
from external customers	490 938	132 569	-	623 507
between segments	9 784	204	(9 988)	-
<b>Net profit/(loss) of the segment</b>	<b>210 264</b>	<b>1 659</b>	<b>(62)</b>	<b>211 861</b>

\* restated data

## Consolidated income statement by segment for the period from 01.07.2023 to 30.09.2023

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>Sales revenue</b>	<b>382 042</b>	<b>83 700</b>	<b>(23 060)</b>	<b>442 682</b>
Sales of products	380 646	-	9 888	390 534
Sales of services	191	307	(43)	455
Sales of goods for resale and materials	1 205	83 393	(32 905)	51 693
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>105 689</b>	<b>60 579</b>	<b>(23 101)</b>	<b>143 167</b>
Costs of products and services sold	104 494	-	(84)	104 410
Cost of goods for resale and materials sold	1 195	60 579	(23 017)	38 757
<b>Gross profit/(loss) on sales</b>	<b>276 353</b>	<b>23 121</b>	<b>41</b>	<b>299 515</b>
Selling expenses	53 275	12 883	(18)	66 140
Administrative expenses	49 031	2 119	150	51 300
Other operating income	7 578	449	(615)	7 412
Other operating expenses	3 555	372	(684)	3 243
(Impairment)/reversal of impairment of financial instruments	(5)	-	-	(5)
<b>Operating profit/(loss)</b>	<b>178 065</b>	<b>8 196</b>	<b>(22)</b>	<b>186 239</b>
Finance income	57 186	3 238	-	60 424
Finance costs	10 015	3 019	(40)	12 994
<b>Profit/(loss) before tax</b>	<b>225 236</b>	<b>8 415</b>	<b>18</b>	<b>233 669</b>
Income tax	29 980	825	-	30 805
<b>Net profit/(loss)</b>	<b>195 256</b>	<b>7 590</b>	<b>18</b>	<b>202 864</b>
Net profit/(loss) attributable to owners of CD PROJEKT S.A.	195 256	7 590	18	202 864

## Consolidated income statement by segment for the period from 01.07.2022 to 30.09.2022\*

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>Sales revenue</b>	<b>205 157</b>	<b>44 022</b>	<b>(3 665)</b>	<b>245 514</b>
Sales of products	201 745	-	1 444	203 189
Sales of services	576	68	(336)	308
Sales of goods for resale and materials	2 836	43 954	(4 773)	42 017
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>50 916</b>	<b>31 672</b>	<b>(3 388)</b>	<b>79 200</b>
Costs of products and services sold	48 657	4	(59)	48 602
Cost of goods for resale and materials sold	2 259	31 668	(3 329)	30 598
<b>Gross profit/(loss) on sales</b>	<b>154 241</b>	<b>12 350</b>	<b>(277)</b>	<b>166 314</b>
Selling expenses	34 989	10 387	(312)	45 064
Administrative expenses	25 391	1 611	(29)	26 973
Other operating income	7 817	2 891	(889)	9 819
Other operating expenses	6 810	808	(835)	6 783
(Impairment)/reversal of impairment of financial instruments	(9)	-	-	(9)
<b>Operating profit/(loss)</b>	<b>94 859</b>	<b>2 435</b>	<b>10</b>	<b>97 304</b>
Finance income	33 984	3 563	(4 328)	33 219
Finance costs	18 245	4 374	(4 343)	18 276
<b>Profit/(loss) before tax</b>	<b>110 598</b>	<b>1 624</b>	<b>25</b>	<b>112 247</b>
Income tax	13 036	318	4	13 358
<b>Net profit/(loss)</b>	<b>97 562</b>	<b>1 306</b>	<b>21</b>	<b>98 889</b>
Net profit/(loss) attributable to owners of CD PROJEKT S.A.	97 562	1 306	21	98 889

\* restated data

## Consolidated income statement by segment for the period from 01.01.2023 to 30.09.2023

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>Sales revenue</b>	<b>626 109</b>	<b>168 222</b>	<b>(26 639)</b>	<b>767 692</b>
Sales of products	617 257	-	11 377	628 634
Sales of services	484	746	(189)	1 041
Sales of goods for resale and materials	8 368	167 476	(37 827)	138 017
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>157 588</b>	<b>120 331</b>	<b>(26 563)</b>	<b>251 356</b>
Costs of products and services sold	148 210	4	(113)	148 101
Cost of goods for resale and materials sold	9 378	120 327	(26 450)	103 255
<b>Gross profit/(loss) on sales</b>	<b>468 521</b>	<b>47 891</b>	<b>(76)</b>	<b>516 336</b>
Selling expenses	119 431	33 067	(28)	152 470
Administrative expenses	105 926	6 045	(67)	111 904
Other operating income	41 294	1 140	(1 687)	40 747
Other operating expenses	12 160	1 001	(1 605)	11 556
(Impairment)/reversal of impairment of financial instruments	(1)	-	-	(1)
<b>Operating profit/(loss)</b>	<b>272 297</b>	<b>8 918</b>	<b>(63)</b>	<b>281 152</b>
Finance income	75 986	4 019	-	80 005
Finance costs	6 325	4 596	(128)	10 793
<b>Profit/(loss) before tax</b>	<b>341 958</b>	<b>8 341</b>	<b>65</b>	<b>350 364</b>
Income tax	59 437	892	54	60 383
<b>Net profit/(loss)</b>	<b>282 521</b>	<b>7 449</b>	<b>11</b>	<b>289 981</b>
Net profit/(loss) attributable to owners of CD PROJEKT S.A.	282 521	7 449	11	289 981

## Consolidated income statement by segment for the period from 01.01.2022 to 30.09.2022\*

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>Sales revenue</b>	<b>500 722</b>	<b>132 773</b>	<b>(9 988)</b>	<b>623 507</b>
Sales of products	485 216	-	3 841	489 057
Sales of services	2 582	204	(1 164)	1 622
Sales of goods for resale and materials	12 924	132 569	(12 665)	132 828
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>94 733</b>	<b>94 880</b>	<b>(9 052)</b>	<b>180 561</b>
Costs of products and services sold	85 821	47	(228)	85 640
Cost of goods for resale and materials sold	8 912	94 833	(8 824)	94 921
<b>Gross profit/(loss) on sales</b>	<b>405 989</b>	<b>37 893</b>	<b>(936)</b>	<b>442 946</b>
Selling expenses	104 867	31 261	(431)	135 697
Administrative expenses	69 343	4 775	(256)	73 862
Other operating income	13 178	5 074	(3 048)	15 204
Other operating expenses	15 189	2 680	(3 177)	14 692
(Impairment)/reversal of impairment of financial instruments	(17)	-	-	(17)
<b>Operating profit/(loss)</b>	<b>229 751</b>	<b>4 251</b>	<b>(120)</b>	<b>233 882</b>
Finance income	70 316	8 007	(9 734)	68 589
Finance costs	37 244	10 068	(9 799)	37 513
<b>Profit/(loss) before tax</b>	<b>262 823</b>	<b>2 190</b>	<b>(55)</b>	<b>264 958</b>
Income tax	52 559	531	7	53 097
<b>Net profit/(loss)</b>	<b>210 264</b>	<b>1 659</b>	<b>(62)</b>	<b>211 861</b>
Net profit/(loss) attributable to owners of CD PROJEKT S.A.	210 264	1 659	(62)	211 861

\* restated data

## Consolidated statement of financial position by segment as at 30.09.2023

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>NON-CURRENT ASSETS</b>	<b>1 241 119</b>	<b>51 089</b>	<b>(17 284)</b>	<b>1 274 924</b>
Property, plant and equipment	170 522	2 559	(1 462)	171 619
Intangible assets	67 982	2 015	(490)	69 507
Expenditure on development projects	572 913	2 271	234	575 418
Investment properties	34 612	-	-	34 612
Goodwill	56 438	-	-	56 438
Investments in subordinated entities	15 552	-	(15 552)	-
Shares in non-consolidated subordinated entities	40 863	-	-	40 863
Prepayments and deferred costs	5 390	43 113	-	48 503
Other financial assets	254 687	-	-	254 687
Deferred tax assets	21 780	1 131	(14)	22 897
Other receivables	380	-	-	380
<b>CURRENT ASSETS</b>	<b>1 075 461</b>	<b>82 995</b>	<b>(20 649)</b>	<b>1 137 807</b>
Inventories	7 463	-	-	7 463
Trade receivables	297 037	11 445	(20 649)	287 833
Current income tax receivable	14 853	-	-	14 853
Other receivables	31 943	1 804	-	33 747
Prepayments and deferred costs	9 682	16 704	-	26 386
Other financial assets	267 106	937	-	268 043
Bank deposits over 3 months	263 250	-	-	263 250
Cash and cash equivalents	184 127	52 105	-	236 232
<b>TOTAL ASSETS</b>	<b>2 316 580</b>	<b>134 084</b>	<b>(37 933)</b>	<b>2 412 731</b>

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>EQUITY</b>	<b>2 177 266</b>	<b>46 623</b>	<b>(15 745)</b>	<b>2 208 144</b>
<b>Equity of the shareholders of CD PROJEKT S.A.</b>	<b>2 177 266</b>	<b>46 623</b>	<b>(15 745)</b>	<b>2 208 144</b>
Share capital	99 911	136	(136)	99 911
Supplementary capital	1 681 868	38 251	(5 515)	1 714 604
Share premium	116 700	-	-	116 700
Other reserves	16 943	850	(1 863)	15 930
Foreign exchange differences on translation	866	(65)	1 014	1 815
Retained earnings	(21 543)	2	(9 256)	(30 797)
Net profit (loss) for the period	282 521	7 449	11	289 981
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>	<b>40 225</b>	<b>1 037</b>	<b>(1 010)</b>	<b>40 252</b>
Other financial liabilities	19 640	1 010	(1 010)	19 640
Other liabilities	2 501	-	-	2 501
Deferred tax provision	49	-	-	49
Deferred income	2 069	-	-	2 069
Provision for retirement and similar benefits	339	27	-	366
Other provisions	15 627	-	-	15 627
<b>CURRENT LIABILITIES</b>	<b>99 089</b>	<b>86 424</b>	<b>(21 178)</b>	<b>164 335</b>
Other financial liabilities	14 239	529	(529)	14 239
Trade payables	22 194	65 394	(20 286)	67 302
Current income tax liabilities	-	147	-	147
Other liabilities	4 774	8 948	-	13 722
Deferred income	7 051	6 056	-	13 107
Provision for retirement and similar benefits	7 155	1	-	7 156
Other provisions	43 676	5 349	(363)	48 662
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 316 580</b>	<b>134 084</b>	<b>(37 933)</b>	<b>2 412 731</b>

## Consolidated statement of financial position by segment as at 30.06.2023\*

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>NON-CURRENT ASSETS</b>	<b>1 273 234</b>	<b>44 633</b>	<b>(17 281)</b>	<b>1 300 586</b>
Property, plant and equipment	159 837	2 778	(1 606)	161 009
Intangible assets	69 146	1 129	(490)	69 785
Expenditure on development projects	597 653	2 212	234	600 099
Investment properties	37 429	-	-	37 429
Goodwill	56 438	-	-	56 438
Investments in subordinated entities	15 405	-	(15 405)	-
Shares in non-consolidated subordinated entities	43 477	-	-	43 477
Prepayments and deferred costs	6 100	36 627	-	42 727
Other financial assets	242 203	-	-	242 203
Deferred tax assets	45 171	1 887	(14)	47 044
Other receivables	375	-	-	375
<b>CURRENT ASSETS</b>	<b>840 247</b>	<b>51 078</b>	<b>(7 404)</b>	<b>883 921</b>
Inventories	8 118	-	-	8 118
Trade receivables	83 176	5 035	(4 654)	83 557
Current income tax receivable	10 784	1 572	-	12 356
Other receivables	40 432	1 927	-	42 359
Prepayments and deferred costs	9 484	14 760	(2 750)	21 494
Other financial assets	249 576	-	-	249 576
Bank deposits over 3 months	317 125	-	-	317 125
Cash and cash equivalents	121 552	27 784	-	149 336
<b>TOTAL ASSETS</b>	<b>2 113 481</b>	<b>95 711</b>	<b>(24 685)</b>	<b>2 184 507</b>



	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>EQUITY</b>	<b>2 007 539</b>	<b>38 887</b>	<b>(15 618)</b>	<b>2 030 808</b>
<b>Equity of the shareholders of CD PROJEKT S.A.</b>	<b>2 007 539</b>	<b>38 887</b>	<b>(15 618)</b>	<b>2 030 808</b>
Share capital	99 911	136	(136)	99 911
Supplementary capital	1 681 868	38 251	(5 515)	1 714 604
Share premium	116 700	-	-	116 700
Other reserves	13 997	704	(1 717)	12 984
Foreign exchange differences on translation	(741)	(65)	1 014	208
Retained earnings	5 436	2	(9 256)	(3 818)
Net profit (loss) for the period	90 368	(141)	(8)	90 219
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>	<b>30 014</b>	<b>1 174</b>	<b>(1 147)</b>	<b>30 041</b>
Other financial liabilities	18 206	1 147	(1 147)	18 206
Other liabilities	2 500	-	-	2 500
Deferred tax provision	46	-	-	46
Deferred income	2 753	-	-	2 753
Provision for retirement and similar benefits	339	27	-	366
Other provisions	6 170	-	-	6 170
<b>CURRENT LIABILITIES</b>	<b>75 928</b>	<b>55 650</b>	<b>(7 920)</b>	<b>123 658</b>
Other financial liabilities	8 251	743	(516)	8 478
Trade payables	19 501	34 972	(4 603)	49 870
Other liabilities	5 415	5 345	-	10 760
Deferred income	18 479	9 882	(2 750)	25 611
Provision for retirement and similar benefits	6 908	1	-	6 909
Other provisions	17 374	4 707	(51)	22 030
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 113 481</b>	<b>95 711</b>	<b>(24 685)</b>	<b>2 184 507</b>

\* restated data

## Consolidated statement of financial position by segment as at 31.12.2022\*

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>NON-CURRENT ASSETS</b>	<b>1 106 752</b>	<b>32 593</b>	<b>(17 160)</b>	<b>1 122 185</b>
Property, plant and equipment	143 837	3 269	(1 854)	145 252
Intangible assets	69 476	171	(490)	69 157
Expenditure on development projects	473 495	1 439	235	475 169
Investment properties	42 560	-	-	42 560
Goodwill	56 438	-	-	56 438
Investments in subordinated entities	15 092	-	(15 092)	-
Shares in non-consolidated subordinated entities	41 607	-	-	41 607
Prepayments and deferred costs	5 314	25 760	-	31 074
Other financial assets	207 437	-	-	207 437
Deferred tax assets	51 107	1 954	41	53 102
Other receivables	389	-	-	389
<b>CURRENT ASSETS</b>	<b>1 095 224</b>	<b>64 332</b>	<b>(5 410)</b>	<b>1 154 146</b>
Inventories	12 701	-	-	12 701
Trade receivables	164 079	6 621	(5 410)	165 290
Current income tax receivable	38	1 420	-	1 458
Other receivables	55 340	1 799	-	57 139
Prepayments and deferred costs	6 508	16 378	-	22 886
Other financial assets	279 515	-	-	279 515
Bank deposits over 3 months	337 330	-	-	337 330
Cash and cash equivalents	239 713	38 114	-	277 827
<b>TOTAL ASSETS</b>	<b>2 201 976</b>	<b>96 925</b>	<b>(22 570)</b>	<b>2 276 331</b>

	CD PROJEKT RED	GOG.COM	Consolidation eliminations	Total
<b>EQUITY</b>	<b>2 008 048</b>	<b>38 715</b>	<b>(15 297)</b>	<b>2 031 466</b>
<b>Equity of the shareholders of CD PROJEKT S.A.</b>	<b>2 008 048</b>	<b>38 715</b>	<b>(15 297)</b>	<b>2 031 466</b>
Share capital	100 771	136	(136)	100 771
Supplementary capital	1 539 839	33 001	(5 515)	1 567 325
Share premium	116 700	-	-	116 700
Treasury shares	(99 993)	-	-	(99 993)
Other reserves	3 268	391	(1 404)	2 255
Foreign exchange differences on translation	955	(65)	1 014	1 904
Retained earnings	5 015	4	(9 006)	(3 987)
Net profit (loss) for the period	341 493	5 248	(250)	346 491
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>	<b>36 156</b>	<b>1 367</b>	<b>(1 337)</b>	<b>36 186</b>
Other financial liabilities	18 883	1 337	(1 337)	18 883
Other liabilities	2 620	-	-	2 620
Deferred tax provision	50	-	-	50
Deferred income	3 666	3	-	3 669
Provision for retirement and similar benefits	339	27	-	366
Other provisions	10 598	-	-	10 598
<b>CURRENT LIABILITIES</b>	<b>157 772</b>	<b>56 843</b>	<b>(5 936)</b>	<b>208 679</b>
Other financial liabilities	8 687	1 417	(526)	9 578
Trade payables	38 787	38 236	(4 904)	72 119
Current income tax liabilities	2 116	-	-	2 116
Other liabilities	4 382	5 862	-	10 244
Deferred income	16 379	6 046	-	22 425
Provision for retirement and similar benefits	4 154	1	-	4 155
Other provisions	83 267	5 281	(506)	88 042
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 201 976</b>	<b>96 925</b>	<b>(22 570)</b>	<b>2 276 331</b>

\* restated data

## Operating segments

In the third quarter of 2023, the Group's operations were carried out in two business segments:

- CD PROJEKT RED;
- GOG.COM.

### CD PROJEKT RED

#### The scope and model of operations

The operations of the CD PROJEKT RED segment are executed within the structures of CD PROJEKT S.A. (the domestic holding company of the CD PROJEKT Group), CD PROJEKT Inc. (USA) and CD PROJEKT RED Vancouver Studio Ltd. (Canada).

These operations consist of creating and publishing video games, selling licences for their distribution, coordinating sales promotions, and the production, sales licensing and releasing the accompanying products which use the brands owned.

The production and publishing of the computer games is executed by the CD PROJEKT RED studio and is based on the brands owned by the Parent Company - the Witcher and Cyberpunk. The studio is known for its *Cyberpunk 2077* game and the *Witcher* game series, the flagship brands of CD PROJEKT RED. In addition to the said franchises, the studio has started internal concept work on the third franchise for a planned future video game with the code name Hadar.

As part of the publishing operations, the Parent Company is responsible for the design of the campaigns which promote its own products and independently maintains direct communication with players via electronic media channels and social media and by participating in industry events.

#### Key products

Currently, the portfolio of the studio's main products includes video games which comprise the Witcher trilogy: *The Witcher*, *The Witcher 2: Assassins of Kings*, *The Witcher 3: Wild Hunt* with two expansions: *Hearts of Stone* and *Blood and Wine*, and *Cyberpunk 2077* with an expansion *The Liberty Phantom* released on 26 September 2023.

A network game *Gwent: The Witcher Card Game* has been available since 2018 (PC, macOS, iOS, Android). In addition, the Parent Company's offer includes a game based on *Gwent*'s mechanics: *Thronebreaker: The Witcher Tales* (PC, iOS, Nintendo Switch, Xbox One, PlayStation 4, Android) and *Gwent: Rogue Mage* (PC, iOS, Android) - a single player expansion to *Gwent: The Witcher Card Game*.

### GOG.COM

#### The scope and model of operations

GOG.COM is one of the world's most popular independent digital distribution platforms for computer games, which is distinguished by offering digital products without security features that make it difficult for users to use the games they have purchased (DRM).

The platform is available in English, French, German, Russian, Chinese and Polish, offering customers not only a fully localized website or games, but also (with the exception of the Russian version) dedicated customer service, technical support, direct marketing activity in a given language and popular local payment methods (in twelve currencies). On GOG.COM, games are available for Windows PCs, as well as for macOS and Linux operating systems.

The operations of the GOG.COM segment consists of digital distribution of the games via own GOG.COM shop and GOG GALAXY application. The platform makes it possible to purchase a game, pay for the game and download it to one's own computer; in addition, the GOG GALAXY application enables, among other things, automatic updates, saving the game in the cloud, network play, including between platforms, and is also responsible for GWENT's network functionalities, sales support and the handling of payments made in the PC version of the game.

#### Key products

As at the date of publication of this report, more than 9 000 products from over 1 200 partners are available on the GOG.COM digital distribution platform. These include both timeless classics and the latest titles from such recognizable companies as Bethesda, Disney, Electronic Arts, Ubisoft, Konami and Warner Bros. Games are also distributed via the proprietary GOG GALAXY application designed to provide the most convenient and functional experience for purchasing, playing and updating games offered in the GOG.COM catalogue and enabling, among other things, online play between platforms.

Through GOG.COM, the Group also sells its own products directly to retail customers, i.e. games from the Witcher universe and *Cyberpunk 2077*.

## Description of the Issuer's major achievements or failures in the third quarter of 2023 by operating segment

### CD PROJEKT RED

#### Events relating to Cyberpunk 2077

On 6 July 2023, CD PROJEKT RED announced the dates and locations for its community event series, the *Phantom Liberty Tour*. As part of the series, eight events were held around the world during which fans had the chance to play a preview of *Cyberpunk 2077* expansion and meet the creators from CD PROJEKT RED.

On 14 July, *Cyberpunk 2077* crossed the rating threshold on Steam to "Very Positive" - meaning that at least 80 per cent of the reviews posted were classified as positive.

The global launch of the novel *Cyberpunk 2077: No Coincidence*, by a popular Polish science fiction writer Rafał Kosik, took place on 8-10 August 2023.

On 22 August, during the opening event at gamescom in Cologne, Opening Night Live, CD PROJEKT RED presented [New Ways to Play](#) - a video announcing new features introduced to *Cyberpunk 2077* and the *Phantom Liberty* expansion as part of the biggest 2.0 update to date. On the same day, NVIDIA, a close partner of the CD PROJEKT RED studio, presented a [trailer](#) announcing and demonstrating the innovative DLSS 3.5 technology. Among the titles that are the first to support this technology is *Cyberpunk 2077: Phantom Liberty*.

Between 23 and 27 August 2023, the participants in the gamescom fair in Cologne had the opportunity to play a preview of *Phantom Liberty* as part of cooperation with Xbox.

On 14 September 2023, the studio launched a special episode of Night City Wire to promote *Phantom Liberty*, which was focused on Idris Elba and the character he plays, as well as on the music.

The first reviews of the *Phantom Liberty* expansion appeared on 20 September. On 21 September, *Cyberpunk 2077* received update 2.0, introducing a number of changes to the base gameplay. Five days later, on 26 September, the *Phantom Liberty* expansion had its global premiere.

On 29 September 2023, [a track by Dawid Podsiadło](#) composed especially for *Phantom Liberty* was released. The newly-launched music video appeared in the game's credits (the so-called credit song).

After the reporting period, on 5 October 2023, the CD PROJEKT Investor Day took place. During the event, the Management Board of CD PROJEKT S.A. summarized the release of *Phantom Liberty* and announced that by 3 October 2023 sales of the expansion had exceeded 3 million copies. On the other hand, the basic version of the game, *Cyberpunk 2077*, has sold more than 25 million copies.

On that day, it was also announced that CD PROJEKT had entered into collaboration with the production studio Anonymous Content to jointly create a live-action project in the world of Cyberpunk.

On 10 November 2023, *Cyberpunk 2077: Phantom Liberty* won awards for the best game expansion and the best game trailer at the Golden Joystick 2023 gala.

On 13 November, *Cyberpunk 2077* won 5 nominations in The Game Awards 2023. The *Cyberpunk 2077: Phantom Liberty* expansion was nominated in the categories of the best narrative, the best acting performance for Idris Elba (who plays the role of the secret agent Solomon Reed in the game) and in the Player's Voice category where the winner is selected solely by the players. Moreover, the basic version of the game, *Cyberpunk 2077*, won the nominations for the best community support and the best ongoing game.

On 21 November, CD PROJEKT announced the release of *Cyberpunk 2077: Ultimate Edition*. It is an omnibus edition of *Cyberpunk 2077* comprising the basic version of the game, the feature expansion *Phantom Liberty*, Update 2.0, as well as a set of bonus content and access to the My Rewards item pack. The title will be released for Xbox Series X|S and PlayStation 5 consoles and for PC in digital box issue distribution and will be, at the same time, the first edition of the game for new generation consoles. The launch is scheduled for 5 December 2023.

On 28 November, CD PROJEKT also announced that, according to the latest estimates, by the date of publication of this report, total sales of the *Cyberpunk 2077 - Phantom Liberty* expansion had exceeded 4.3 million copies.

#### Events relating to the Witcher series games

After the reporting period, on 19 October 2023, a crowdfunding campaign was launched for a board game *The Witcher: Path of Destiny*, developed in collaboration with Go On Board.

## Other

On 3 July 2023, a summer internship programme began at CD PROJEKT RED. For three months, the selected participants had the opportunity to get to know the work of the studio from the inside and participate in the final phase of preparation for the release of the *Phantom Liberty* expansion.

18 July 2023 saw the re-opening of the [CD PROJEKT RED GEAR Store](#) - a mail-order shop with gadgets from the Witcher and Cyberpunk universes addressed to fans of the studio's games. The shop is now run by an external partner, DPI Merchandising.

The Promised Land Art Festival, organized by CD PROJEKT RED and EC1 in Łódź, took place between 2 and 6 September 2023. For four days, representatives of the video games, film and art sectors had the opportunity to participate in interesting lectures, panel discussions, workshops and networking to share experiences and gain new contacts. The representatives of CD PROJEKT RED were also among the speakers and lecturers at the event.

## GOG.COM

### Digital distribution of games

As at the date of publication of this report, the product range on GOG.COM comprises more than 9 000 items.

In the third quarter of 2023, the GOG.COM catalogue expanded to include, among other things, *Cyberpunk 2077: Phantom Liberty*, *Fallout 4: Game of the Year Edition*, *Jagged Alliance 3*, *Warhammer 40,000: Dawn of War II - Grand Master Collection* and *Yakuza: Like a Dragon Hero Edition*.

### Sales promotion

Sales promotion in the digital distribution of games mainly consists of adding new items of interest to users to the catalogue and running seasonal promotional campaigns.

During the reporting period, special promotions took place on GOG.COM in addition to weekly promotions - in July and August these included the 'Make the classics last forever' classic games sale, the French Games Week, the Made in Ukraine games sale and the Autumn Sale, among other things. In turn, in September, a special promotional event was organized to celebrate GOG.COM's 15th anniversary.

The key event on GOG.COM during the reporting period was the release of *Cyberpunk 2077: Phantom Liberty*. The expansion was released on the platform on 26 September, becoming an absolute bestseller - by 3 October 2023, approximately 10% of over 3 million copies of the *Cyberpunk 2077* expansion sold had been purchased via the GOG.COM platform.

## Other corporate events

On 10 July 2023, as a result of decisions adopted by the Board of Directors of CD PROJEKT Inc. (currently: CD PROJEKT RED Inc.) and CD PROJEKT S.A. (its sole shareholder), the company's name was changed from "CD PROJEKT Inc." to "CD PROJEKT RED Inc." and its principal place of business was relocated to Boston (Waltham), Massachusetts.

On 26 July 2023, the Management Board of the Parent Company announced a decision to adjust the scale and structure of the Parent Company's team to its operating needs and project-and-publishing plans executed under the strategy of the CD PROJEKT Group. As a result, a reduction in workforce is being carried out, covering 9% of the personnel in the CD PROJEKT RED studio, including, among other things, the production and publishing teams as well as the back office. The decision adopted is related to the ongoing transformation which involved, among other things, the CD PROJEKT RED studio implementing the Agile methodology, making production methods more efficient and optimizing work organization. The process is planned to end in the first quarter of 2024.

On 31 August 2023, the District Court for the Capital City of Warsaw in Warsaw entered the merger of CD PROJEKT S.A. with its subsidiary Spokko sp. z o.o. as the target company in the Register of Businesses. The merger was carried out in accordance with [the merger plan announced on 20 April 2023](#).

On 21 September 2023, in order to harmonize the corporate names of the positions held by the Management Board members, the Supervisory Board of CD PROJEKT S.A. decided that, starting from the date of registration of the Company's amended Articles of Association, which took place on 9 October 2023:

- Adam Kiciński, who held the position of the President of the Parent Company's Management Board until that date, would hold the position of a Member of the Management Board of the Parent Company for the current term of office;
- Piotr Nielubowicz, who held the position of the Vice-President of the Management Board responsible for Finance until that date, would hold the position of a Member of the Management Board of the Parent Company for the current term of office.

In addition, on the same date, the Management Board of CD PROJEKT S.A., acting on the basis of the Rules of Procedure of the Management Board, decided to adopt five additional designations of the functions performed by the Members of the Management Board, corresponding to the current internal segregation of duties with regard to the individual areas of the Parent Company's operations and the roles performed by the Members of the Management Board. As a result, the Members of the Management Board will also use the following terms to specify their respective positions:



- Adam Kiciński - Chief Executive Officer (CEO);
- Piotr Nielubowicz - Chief Financial Officer (CFO);
- Adam Badowski - Chief Creative Officer (CCO);
- Michał Nowakowski - Chief Commercial Officer (CCO);
- Piotr Karwowski - Joint Chief Operating Officer (Joint COO);
- Paweł Zawodny - Joint Chief Operating Officer (Joint COO);
- Jeremiah Cohn - Chief Marketing Officer (CMO).

On 5 October 2023, Mr. Adam Kiciński, CEO of CD PROJEKT S.A., informed the Company of his intention to stand as a future candidate for the position of Member of the Supervisory Board of the Company from 2025 and, as a consequence, of his intention to resign, in the future, from the position of Member of the Management Board as of the end of 2024. The full contents of Mr. Adam Kiciński's letter to the Parent Company is attached as an appendix to the [current report no. 39/2023](#).

Moreover, in connection with the said decision, the Management Board of CD PROJEKT S.A. has decided that as of 1 January 2024 the internal segregation of duties with regard to the individual areas of the Company's business activities among the Members of the Management Board will be updated and, as a consequence, the roles and designations of the functions of the Members of the Management Board will be changed as follows:

- Adam Kiciński will perform the role of the Chief Strategy Officer (CSO);
- the role of the Chief Executive Officer (CEO) will be performed jointly by: Mr. Adam Badowski, currently performing the role of the Chief Creative Officer, who has been with the Parent Company for 20 years, and Mr. Michał Nowakowski, currently performing the role of the Chief Commercial Officer, who has been with the Parent Company for 18 years. Mr. Adam Badowski and Mr. Michał Nowakowski will use the same functional designation: Joint Chief Executive Officer (Joint CEO).

## Factors affecting the Group's future performance

For the future growth of the Parent Company and the Group, the ability to retain and offer growth opportunities to a team of world-class creative professionals and experts, and to attract a growing number of specialists, to work on the Group's future releases is of critical importance. Strategic directions related to talent acquisition, team development and support are presented in the [CD PROJEKT Group Strategy Update of 2021](#) (including its discussion in the form of a [video commentary](#)) and in the [CD PROJEKT Group Sustainable Development Report for 2022](#).

At the same time, the effective execution of the CD PROJEKT RED production plan presented in October 2022 as part of the [Strategy Update](#) and a further increase in franchise recognizability and popularity (including through collaboration with external parties) and enhancing selected titles developed as part of the IP owned to include a multiplayer feature will be the key aspects to support the Group's growth.

The material Group-specific external and internal factors which may have a negative effect on the Group's operations and development, identified by the Management Board and the risk management system functioning within the Parent Company, are described in the risks section of the [Management Board Report on CD PROJEKT Group activities for 2022](#).

### CD PROJEKT RED

In the CD PROJEKT RED segment, the expansion of the operations is linked directly to new projects implemented, the scale of their production and popularity among players. In this context, the current results of the CD PROJEKT Group are driven by the popularity of the games in the Cyberpunk and Witcher universe already issued by the Parent Company. In the following periods, the progress of the production work and the market acceptance of the Parent Company's next productions in progress, as well as the creation and release of high-quality support products within the Parent Company's franchises, which will contribute to the growth of the Parent Company's brand recognition, will be of key importance to the Parent Company's development and results.

In the coming quarters, the activities of particular importance for the CD PROJEKT RED studio will include the release of an omnibus edition of *Cyberpunk 2077* consisting of the basic version of the game, the feature expansion *Phantom Liberty* and a set of premium content.

Another important process in the context of the development of the CD PROJEKT RED studio, which is under way and whose implementation will continue in the coming quarters, is the integration of development projects with the new Unreal Engine 5, following the signing of the licence and partnership agreement with Epic Games in March 2022. The use of the new engine should improve the game development process. The strategic partnership assumes improving the UE5 engine in terms of handling open world type games and the adaptation and optimization of its elements, paying attention to creative concepts of the next projects. It also involves dedicated technical support on the part of Epic Games for titles released by CD PROJEKT RED. Starting work on the EU5 engine opened prospects for recruitment to the studio's development teams due to a good knowledge of the Unreal Engine among game creators.

The key factor for maintaining the current high growth rate of the CD PROJEKT RED segment in the future is to further develop the in-house ability to produce games of the highest world class and quality, combined with the ability to communicate effectively with players around the world. Both are part of the RED 2.0 studio's ongoing transformation which aims, among other things, to change the way games are developed to a more flexible one, based on agile methodologies and supporting the quality of future products. The development of the newly created CD PROJEKT RED North America studio, including the opening of an office in Boston, is an important element of CD PROJEKT RED's strategy. The transformation of the business to a publishing model based on two



concurrent brands and several simultaneous projects will potentially allow production and financial optimization, an increased frequency of launches and higher total revenue and further diversification of risks, while creating more opportunities for professional self-realization for the creators employed by the Parent Company.

### GOG.COM

In the GOG.COM segment, growth was supported by the increasing propensity of consumers to purchase games directly online in recent years.

For the further development of the GOG.COM platform, it will be important to make it more popular among gamers and to attract more newly released products. GOG sp. z o.o. is proactively talking with leading international game developers and publishers, constantly expanding the range of suppliers and products on offer. The successive first releases of new games on GOG.COM each time contribute to increasing user activity and translate into sales growth. In addition to continuously expanding the catalogue of the products offered, the growth of GOG sp. z o.o.'s operations also requires broadening the user base by reaching out to new players around the world who have not yet had an account on the GOG.COM platform. In this respect, in recent years, a constant growth of the number of users has been achieved, due to both own PR activities, collaboration with business partners and looking for new opportunities for partnership actively, and the synergies resulting from the cooperation with CD PROJEKT S.A.

The results and development of the activities carried out as part of the GOG.COM segment, including the acquisition of unique knowledge and experience and the full use of the technological solutions possessed, will be affected by the development of functionalities which support the sale of games on the platform, including better integration of the monetization mechanisms of the GOG GALAXY application with the GOG.COM shop, as well as increased activity to expand the range of classic games offered on the platform.

### Other

The development of the CD PROJEKT Group will also be influenced by the development projects carried out by its subsidiary The Molasses Flood.

## Impact of the political and economic situation in Ukraine on sales during the reporting period

### Impact on sales

In response to the Russian armed invasion of Ukraine, on 3 March 2022 the Management Board of CD PROJEKT decided to suspend sales of the CD PROJEKT Group's products as well as games distributed on the GOG.COM platform in the territory of Russia and Belarus.

The Company estimated that in the period of 12 months from March 2021 to February 2022 the total share of Russia and Belarus in the sales of products in the CD PROJEKT RED segment and in the sales of the GOG.COM segment amounted to, respectively, approximately 5.4% and approximately 3.7%.

### Risks associated with the current political and economic situation in Ukraine

The Company continually monitors the impact of the current political and economic situation in Ukraine, Russia and Belarus on the activities of the CD PROJEKT Group.

The Company has terminated its cooperation with the Russian and Belarussian suppliers and is not currently considering engaging in new collaboration.

As of the date of publication of these financial statements, the Group's operating activities are carried out without any disruptions, and the effects of the Russian armed invasion of Ukraine do not have a significant direct negative impact on the Group's operations.

In the opinion of the Management Board of the Parent Company, the current political and economic situation in Ukraine does not materially affect the quantitative data presented in the financial statements, has not resulted in any indications of impairment of assets, should not have a significant negative effect on the Group's results in the next quarter of 2023, and does not pose any risks to the Company's continuing as a going concern within 12 months of the end of the reporting period. Given the unprecedented nature of the current situation and the related significant uncertainty, particularly the inability to predict the future scale and duration of the Russian invasion, as at the date of publication of these financial statements it is impossible to reliably estimate the long-term impact of the invasion of Ukraine by the Russian armed forces on the long-term performance and condition of the Company and its Group. Any assessments and forecasts in this regard are uncertain and will be subject to further monitoring and analysis by the Group.

The above assessment has been prepared to the best of the Parent Company's knowledge at the date of publication of these financial statements.



## Seasonality or cyclicity of the Group's operations

### CD PROJEKT RED

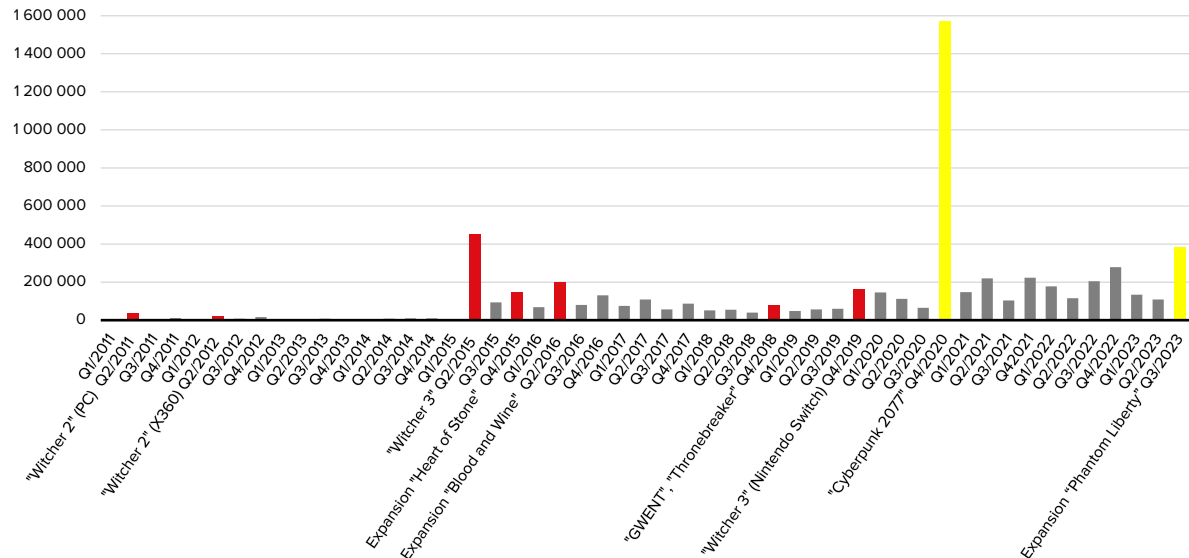
The segment's revenues and results are strongly affected by the videogame release schedule. CD PROJEKT RED usually takes between 2 and 5 years to produce a game. Typically, initial development projects on a new game starts before the production of the previous game has been completed and the game has been released on the market.

CD PROJEKT RED also engages in smaller-scale projects, e.g. expansions for its own games or adapting the existing products to work on new gaming platforms. Such projects may be carried out directly by the Parent Company or by its external partners.

With regard to games which have already been released, their yearly sales breakdown is dependent on the schedule of periodic sale campaigns. In most cases, strong sales are reported in the second and fourth quarters, while the first and the third quarters (the latter of which overlaps with the summer vacation season) see weaker sales.

In addition to pure development activities, the Parent Company also develops its franchises in other fields actively, with a view to continually expanding its audience and exploring other types of media and products.

**Chart 1** Effect of new releases on the quarterly sales of products, goods for resale and materials of the CD PROJEKT RED segment in 2011-2023 (in PLN thousand)

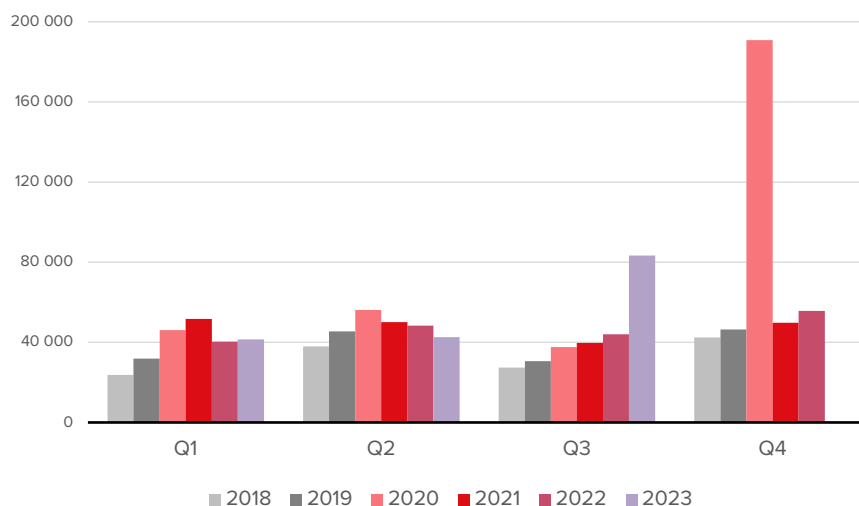


## GOG.COM

The digital videogame distribution market on which GOG.COM operates is characterized by seasonal fluctuations in revenues. On an annual basis, the highest revenues are typically reported in the second and fourth quarters, with lower revenues in the first and third quarters. Sales in the second and fourth quarters are temporarily boosted by promotional campaigns normally organized in these quarters.

The sales volume may also be strongly affected by the list of new products introduced in a given reporting period.

**Chart 2** Quarterly distribution of sales of goods for resale and materials of the GOG.COM segment in 2018-2023 (in PLN thousand)



## Key customers

The CD PROJEKT Group collaborates with external customers whose share in revenue exceeds 10% of the Group's consolidated revenue.

Within the CD PROJEKT RED segment, the commercial activities carried out by CD PROJEKT S.A. in cooperation with two customers generated cumulatively, by the end of the third quarter of 2023, sales revenue exceeding 10% of the Group's total consolidated sales revenue, amounting to PLN 303 887 thousand and PLN 131 422 thousand, i.e. 39.58% and 17.12%, respectively, of the Group's total revenue. These customers are not related to either CD PROJEKT S.A. or its subsidiaries.

None of the Group's other external customers exceeded the threshold of 10% of the Group's consolidated revenue.



**CD PROJEKT**

**Notes – other explanatory notes to the  
interim condensed consolidated  
financial statements**

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**4**

## Note 1. Description of those items affecting assets, liabilities, equity, net profit or loss and cash flows which are unusual in terms of their type, size and impact

### Material events

The release of the *Phantom Liberty* expansion of *Cyberpunk 2077* was a material event which was not observed in the comparative period but which affected the net profit or loss, assets, liabilities and cash flows of the CD PROJEKT Group in the third quarter of 2023, resulting in:

- an increase in **Net sales of products, services, goods for resale and materials** in both segments of the Group;
- a decrease in the balance of **Expenditure on development projects** and an increase in **Costs of products and services sold** in the CD PROJEKT RED segment due to the settlement and commencement of amortization of the expenditure on the production of the expansion;
- an increase in **Costs of products and services sold** in the CD PROJEKT RED segment due to a change in the amortization pattern of the basic *Cyberpunk 2077* game;
- an increase in expenditure on promotion (**Selling expenses**) in the CD PROJEKT RED segment;
- an increase in **Trade Receivables** as a consequence of the high sales associated with the release of the *Phantom Liberty* expansion on 26 September this year, i.e. towards the end of the reporting period;
- a decrease in the balance of **Deferred income** in the CD PROJEKT RED and GOG.COM segments due to the settlement of pre-orders for the expansion.

In connection with the entry of the merger of CD PROJEKT S.A. with its subsidiary Spokko sp. z o.o., as the acquired company, by the District Court for the Capital City of Warsaw in the Register of Businesses on 31 August 2023, CD PROJEKT accounted for the merger, which resulted, among other things, in: an increase in **Finance income** as a consequence of the reversal of the write-down of the value of shares in the acquired company recognized in 2022, the recognition of the past results of Spokko sp. z o.o. in the Parent Company's **Equity** under **Retained earnings** and the recognition of the current revenue and costs of Spokko sp. z o.o. in the current profit and loss account of the Parent Company.

At the end of the period discussed, the CD PROJEKT RED segment revised its estimates of contractual obligations towards the distributors of physical copies of the *Cyberpunk 2077* game, increasing the level of **Other provisions**, which also translated into an increase in the **Costs of products and services sold**.

## Note 2. Property, plant and equipment

### Changes in property, plant and equipment (by category) for the period 01.01.2023 – 30.09.2023

	Land	Buildings and structures	Civil and hydraulic engineering facilities	Plant and machinery	Vehicles	Other fixed assets	Assets under construction	Total
<b>Gross carrying amount as at 01.01.2023</b>	<b>40 435</b>	<b>82 297</b>	<b>1 925</b>	<b>58 856</b>	<b>3 251</b>	<b>5 776</b>	<b>28 089</b>	<b>220 629</b>
<b>Increase due to:</b>	-	<b>30 181</b>	<b>2 867</b>	<b>25 842</b>	<b>956</b>	<b>2 360</b>	<b>14 104</b>	<b>76 310</b>
purchase	-	163	2	18 249	295	393	14 104	33 206
business combinations	-	52	-	737	-	64	-	853
lease contracts concluded	-	2 813	-	-	642	-	-	3 455
transfer from investment properties	-	6 577	-	316	-	-	-	6 893
transfer from assets under construction	-	20 148	2 865	6 512	-	1 359	-	30 884
reclassification	-	49	-	-	-	544	-	593
other	-	379	-	28	19	-	-	426
<b>Decrease due to:</b>	-	<b>4 497</b>	<b>859</b>	<b>1 396</b>	<b>462</b>	<b>35</b>	<b>30 939</b>	<b>38 188</b>
sale	-	-	-	367	136	-	-	503
scrapping	-	1 036	366	660	5	35	1	2 103
transfer from assets under construction	-	-	-	-	-	-	30 884	30 884
reclassification	-	-	493	100	-	-	54	647
lease contracts expired	-	3 461	-	-	321	-	-	3 782
free-of-charge transfer	-	-	-	269	-	-	-	269
<b>Gross carrying amount as at 30.09.2023</b>	<b>40 435</b>	<b>107 981</b>	<b>3 933</b>	<b>83 302</b>	<b>3 745</b>	<b>8 101</b>	<b>11 254</b>	<b>258 751</b>
<b>Accumulated depreciation as at 01.01.2023</b>	<b>1 817</b>	<b>25 351</b>	<b>717</b>	<b>42 482</b>	<b>1 537</b>	<b>3 473</b>	-	<b>75 377</b>
<b>Increase due to:</b>	<b>425</b>	<b>6 351</b>	<b>155</b>	<b>9 880</b>	<b>488</b>	<b>822</b>	-	<b>18 121</b>
depreciation charge	425	5 062	155	9 227	475	765	-	16 109
transfer from investment properties	-	890	-	48	-	-	-	938
business combinations	-	21	-	579	-	51	-	651
reclassification	-	80	-	-	-	6	-	86
other	-	298	-	26	13	-	-	337
<b>Decrease due to:</b>	-	<b>4 377</b>	<b>209</b>	<b>1 363</b>	<b>382</b>	<b>35</b>	-	<b>6 366</b>
sale	-	-	-	366	57	-	-	423
scrapping	-	916	203	648	5	35	-	1 807
reclassification	-	-	6	80	-	-	-	86
lease contracts expired	-	3 461	-	-	320	-	-	3 781
free-of-charge transfer	-	-	-	269	-	-	-	269
<b>Accumulated depreciation as at 30.09.2023</b>	<b>2 242</b>	<b>27 325</b>	<b>663</b>	<b>50 999</b>	<b>1 643</b>	<b>4 260</b>	-	<b>87 132</b>



Impairment write-downs as at 01.01.2023	-	-	-	-	-	-	-	-
Impairment write-downs as at 30.09.2023	-	-	-	-	-	-	-	-
Net carrying amount as at 01.01.2023	38 618	56 946	1 208	16 374	1 714	2 303	28 089	145 252
Net carrying amount as at 30.09.2023	38 193	80 656	3 270	32 303	2 102	3 841	11 254	171 619

### Amounts of contractual commitments to purchase property, plant and equipment in the future

	30.09.2023	30.06.2023	31.12.2022
Construction of an office building on the CD PROJEKT campus	97 657	97 072	-
Leasing of passenger cars	450	554	599
<b>Total</b>	<b>98 107</b>	<b>97 626</b>	<b>599</b>

### Right-of-use assets relating to property, plant and equipment

	30.09.2023		
	Gross amount	Accumulated depreciation	Net amount
Land	14 540	822	13 718
Real properties	11 996	5 111	6 885
Plant and machinery	48	24	24
Vehicles	2 250	433	1 817
<b>Total</b>	<b>28 834</b>	<b>6 390</b>	<b>22 444</b>

	30.06.2023		
	Gross amount	Accumulated depreciation	Net amount
Land	14 540	771	13 769
Real properties	9 385	4 606	4 779
Vehicles	2 464	674	1 790
<b>Total</b>	<b>26 389</b>	<b>6 051</b>	<b>20 338</b>

	31.12.2022		
	Gross amount	Accumulated depreciation	Net amount
Land	14 540	669	13 871
Real properties	14 332	8 735	5 597
Civil and hydraulic engineering facilities	99	99	-
Vehicles	2 264	625	1 639
<b>Total</b>	<b>31 235</b>	<b>10 128</b>	<b>21 107</b>



### Note 3. Intangible assets and expenditure on development projects

Changes in intangible assets and expenditure on development projects for the period 01.01.2023 – 30.09.2023

	Expenditure on development projects in progress	Expenditure on completed development projects	Trademarks	Patents and licenses	Author's economic rights	Computer software	Goodwill	Intangible assets under construction	Total
<b>Gross carrying amount as at 01.01.2023*</b>	<b>249 244</b>	<b>930 087</b>	<b>33 199</b>	<b>4 160</b>	<b>18 469</b>	<b>50 078</b>	<b>56 438</b>	<b>172</b>	<b>1 341 847</b>
<b>Increase due to:</b>	<b>218 961</b>	<b>272 682</b>	<b>23</b>	<b>1 287</b>	<b>159</b>	<b>1 026</b>	<b>-</b>	<b>3 249</b>	<b>497 387</b>
purchase	-	-	-	1 287	129	571	-	2 493	4 480
assets generated internally	218 961	-	-	-	-	-	-	756	219 717
transfer from intangible assets under construction	-	-	-	-	-	343	-	-	343
reclassification from expenditure on development projects in progress	-	272 682	-	-	-	-	-	-	272 682
business combinations	-	-	23	-	25	71	-	-	119
reclassification	-	-	-	-	5	41	-	-	46
<b>Decrease due to:</b>	<b>287 272</b>	<b>-</b>	<b>-</b>	<b>46</b>	<b>-</b>	<b>4 552</b>	<b>-</b>	<b>360</b>	<b>292 230</b>
scrapping	2 745	-	-	-	-	4 552	-	-	7 297
utilization of impairment write-downs	11 844	-	-	-	-	-	-	-	11 844
transfer from intangible assets under construction	-	-	-	-	-	-	-	344	344
transfer from expenditure on development projects in progress	272 683	-	-	-	-	-	-	-	272 683
reclassification	-	-	-	46	-	-	-	16	62
<b>Gross carrying amount as at 30.09.2023</b>	<b>180 933</b>	<b>1 202 769</b>	<b>33 222</b>	<b>5 401</b>	<b>18 628</b>	<b>46 552</b>	<b>56 438</b>	<b>3 061</b>	<b>1 547 004</b>
<b>Accumulated amortization as at 01.01.2023</b>	<b>-</b>	<b>657 011</b>	<b>-</b>	<b>2 767</b>	<b>301</b>	<b>33 853</b>	<b>-</b>	<b>-</b>	<b>693 932</b>
<b>Increase due to:</b>	<b>-</b>	<b>137 497</b>	<b>-</b>	<b>1 515</b>	<b>396</b>	<b>3 076</b>	<b>-</b>	<b>-</b>	<b>142 484</b>
amortization charge	-	137 497	-	1 515	371	3 009	-	-	142 392
business combinations	-	-	-	-	25	67	-	-	92
<b>Decrease due to:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 551</b>	<b>-</b>	<b>-</b>	<b>4 551</b>
scrapping	-	-	-	-	-	4 551	-	-	4 551
<b>Accumulated amortization as at 30.09.2023</b>	<b>-</b>	<b>794 508</b>	<b>-</b>	<b>4 282</b>	<b>697</b>	<b>32 378</b>	<b>-</b>	<b>-</b>	<b>831 865</b>



<b>Impairment write-downs as at 01.01.2023</b>	<b>33 375</b>	<b>13 776</b>	-	-	-	-	-	-	<b>47 151</b>
<b>Increase</b>	-	-	-	-	-	-	-	-	-
<b>Decrease due to:</b>	<b>33 375</b>	-	-	-	-	-	-	-	<b>33 375</b>
reversal of write-downs	21 531	-	-	-	-	-	-	-	21 531
release of write-downs (write-off)	11 844	-	-	-	-	-	-	-	11 844
<b>Impairment write-downs as at 30.09.2023</b>	-	<b>13 776</b>	-	-	-	-	-	-	<b>13 776</b>
<b>Net carrying amount as at 01.01.2023</b>	<b>215 869</b>	<b>259 300</b>	<b>33 199</b>	<b>1 393</b>	<b>18 168</b>	<b>16 225</b>	<b>56 438</b>	<b>172</b>	<b>600 764</b>
<b>Net carrying amount as at 30.09.2023</b>	<b>180 933</b>	<b>394 485</b>	<b>33 222</b>	<b>1 119</b>	<b>17 931</b>	<b>14 174</b>	<b>56 438</b>	<b>3 061</b>	<b>701 363</b>

\* restated data

### Amounts of contractual commitments to purchase intangible assets in the future

None.

### Note 4. Goodwill

During the period from 1 July to 30 September 2023, there were no changes in goodwill.

### Note 5. Investment properties

The Parent Company owns a real estate complex located at Jagiellońska 76 in Warsaw. Given that a part of the properties purchased is leased out to third parties, including CD PROJEKT Group companies, the Group has decided to classify these properties partly as investment properties. The remaining part of the property is used for own needs of the activities conducted.

The Group measures the properties purchased at cost less accumulated depreciation.

The last appraisal report by the expert surveyor, for the buildings recognized as investment properties, was prepared on the basis of unit prices for the construction of buildings with the most similar parameters included in the Bistyp Catalogue of Unit Prices for Works and Investment Facilities 2021. The valuation of the individual assets amounted to PLN 60 692 thousand for the buildings at Jagiellońska 74 and PLN 13 212 thousand for the buildings at Jagiellońska 76.



**Changes in investment properties for the period 01.01.2023 – 30.09.2023**

<b>Gross carrying amount as at 01.01.2023</b>	<b>47 946</b>
<b>Increase due to:</b>	<b>102</b>
purchase of a property	102
<b>Decrease due to:</b>	<b>7 757</b>
scrapping	864
reclassification to other asset categories	6 893
<b>Gross carrying amount as at 30.09.2023</b>	<b>40 291</b>
<b>Accumulated depreciation as at 01.01.2023</b>	<b>5 386</b>
<b>Increase due to:</b>	<b>1 358</b>
depreciation charge	1 358
<b>Decrease due to:</b>	<b>1 065</b>
scrapping	127
reclassification to other asset categories	938
<b>Accumulated depreciation as at 30.09.2023</b>	<b>5 679</b>
<b>Impairment write-downs as at 01.01.2023</b>	-
<b>Increase</b>	-
<b>Decrease</b>	-
<b>Impairment write-downs as at 30.09.2023</b>	-
<b>Net carrying amount as at 30.09.2023</b>	<b>34 612</b>

**Amounts of contractual liabilities in respect of purchase of investment properties**

None.

## Note 6. Inventories

	30.09.2023	30.06.2023	31.12.2022
Goods for resale	7 460	8 115	12 697
Other materials	3	3	4
<b>Gross inventories</b>	<b>7 463</b>	<b>8 118</b>	<b>12 701</b>
Inventory write-downs	-	-	-
<b>Net inventories</b>	<b>7 463</b>	<b>8 118</b>	<b>12 701</b>

### Changes in inventory write-downs

None.

## Note 7. Trade and other receivables

	30.09.2023	30.06.2023	31.12.2022
<b>Trade and other receivables, gross</b>	<b>322 047</b>	<b>127 105</b>	<b>223 636</b>
<b>Write-downs</b>	<b>87</b>	<b>814</b>	<b>818</b>
<b>Trade and other receivables</b>	<b>321 960</b>	<b>126 291</b>	<b>222 818</b>
from related entities	2 384	423	1 855
from other entities	319 576	125 868	220 963

### Changes in write-downs of receivables

	Trade receivables	Other receivables	Total
<b>OTHER ENTITIES</b>			
<b>Write-downs as at 01.01.2023</b>	<b>86</b>	<b>732</b>	<b>818</b>
<b>Increases, including:</b>	<b>7</b>	<b>-</b>	<b>7</b>
recognition of write-downs of overdue and disputed receivables	7	-	7
<b>Decreases, including:</b>	<b>6</b>	<b>732</b>	<b>738</b>
reversal of write-downs (write-off)	-	732	732
reversal of write-downs	6	-	6
<b>Write-downs as at 30.09.2023</b>	<b>87</b>	<b>-</b>	<b>87</b>

**Current and overdue trade receivables as at 30.09.2023**

	Total	Not overdue	Overdue, in days				
			1 – 60	61 – 90	91 – 180	181 – 360	>360
<b>RELATED ENTITIES</b>							
gross receivables	2 382	2 381	1	-	-	-	-
default ratio		0%	0%	0%	0%	0%	0%
write-down resulting from the ratio	-	-	-	-	-	-	-
write-down determined individually	-	-	-	-	-	-	-
total expected credit losses	-	-	-	-	-	-	-
<b>Net receivables</b>	<b>2 382</b>	<b>2 381</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Total	Not overdue	Overdue, in days				
			1 – 60	61 – 90	91 – 180	181 – 360	>360
<b>OTHER ENTITIES</b>							
gross receivables	285 538	284 764	675	12	-	1	86
default ratio		0%	0%	0%	0%	0%	0%
write-down resulting from the ratio	-	-	-	-	-	-	-
write-down determined individually	87	-	-	-	-	1	86
total expected credit losses	87	-	-	-	-	1	86
<b>Net receivables</b>	<b>285 451</b>	<b>284 764</b>	<b>675</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Total</b>							
gross receivables	287 920	287 145	676	12	-	1	86
impairment write-downs	87	-	-	-	-	1	86
<b>Net receivables</b>	<b>287 833</b>	<b>287 145</b>	<b>676</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Other receivables

	30.09.2023	30.06.2023	31.12.2022
<b>Other gross receivables, including:</b>	<b>34 127</b>	<b>43 466</b>	<b>58 260</b>
tax receivables, other than corporate income tax	24 102	26 074	43 414
prepayments for inventories	8 428	14 142	6 940
prepayments for development projects	633	1 718	1 433
security deposits	468	475	1 071
provisions for sales revenue - prepayments	123	53	137
prepayments for investment properties	54	-	-
settlements with employees	51	59	-
prepayments for property, plant and equipment and intangible assets	30	30	135
settlements with members of the Management Boards	2	-	2
settlements with suppliers of property, plant and equipment items	-	-	4 160
settlements with payment operators	-	-	7
other	236	915	961
<b>Write-downs</b>	<b>-</b>	<b>732</b>	<b>732</b>
<b>Other receivables, including:</b>	<b>34 127</b>	<b>42 734</b>	<b>57 528</b>
current	33 747	42 359	57 139
non-current	380	375	389

## Note 8. Other financial assets

	30.09.2023	30.06.2023	31.12.2022
Loans granted	4 236	4 789	739
Bonds	515 170	464 196	475 848
Derivative financial instruments	937	20 534	7 809
Private equity interests in the gaming sector	2 387	2 260	2 556
<b>Other financial assets, including:</b>	<b>522 730</b>	<b>491 779</b>	<b>486 952</b>
current	268 043	249 576	279 515
non-current	254 687	242 203	207 437



## Note 9. Prepayments and deferred costs

	30.09.2023	30.06.2023	31.12.2022
Minimum guarantees, advance payments and prepayments GOG.COM	59 251	47 706	41 457
Software, licenses	9 804	10 042	6 186
Costs of future marketing services	1 489	1 522	1 597
Fees for pre-emptive rights	1 191	1 218	1 271
Costs of repairs and maintenance	891	974	1 142
Staff relocation costs	555	365	39
Costs of IT security resources	352	451	380
Costs in connection with redevelopment of the car park	260	260	260
Business travel (tickets, hotels, insurance)	177	235	85
Property and personal insurance	132	263	785
Domains, servers	72	125	235
Perpetual usufruct	71	141	-
Transaction costs	-	143	-
Other prepayments and deferred costs	644	776	523
<b>Prepayments and deferred costs, including:</b>	<b>74 889</b>	<b>64 221</b>	<b>53 960</b>
current	26 386	21 494	22 886
non-current	48 503	42 727	31 074

## Note 10. Deferred income tax

### Deductible temporary differences underlying the deferred tax asset

	31.12.2022*	Differences affecting the deferred tax recognized in the profit or loss	30.09.2023
Provision for other employee benefits	2 382	1 343	3 725
Provision for costs of performance-related and other remuneration	49 565	(17 995)	31 570
Tax loss	5 467	(4 440)	1 027
Foreign exchange losses	7 573	1 486	9 059
Difference between the carrying amounts and tax bases of expenditure on development projects	34 836	(14 184)	20 652
Wages & salaries and social security payable in future periods	47	3	50
Deferred income in respect of virtual wallet top- ups and a fringe benefit scheme	3 955	317	4 272
Other provisions	34 167	9 092	43 259
Tax base of non-current assets leased	20 697	(563)	20 134
Research and development relief	318 126	(65 015)	253 111
Prepayments recognized as revenue for tax purposes	7 523	(3 424)	4 099
Difference between the net carrying amounts and tax bases of property, plant and equipment and intangible assets	12	(9)	3
Measurement of forward contracts	892	(892)	-
<b>Total deductible differences, including:</b>	<b>485 242</b>	<b>(94 281)</b>	<b>390 961</b>
taxed at 5%	72 663	13 580	86 243
taxed at 19%	411 344	(107 852)	303 492
deferred tax charged abroad	1 235	(9)	1 226
<b>Deferred income tax assets</b>	<b>82 140</b>	<b>(19 814)</b>	<b>62 326</b>

\* restated data

### Taxable temporary differences underlying the deferred tax provision

	31.12.2022*	Differences affecting the deferred tax recognized in the profit or loss	30.09.2023
Difference between the net carrying amounts and tax bases of property, plant and equipment and intangible assets	17 780	2 726	20 506
Current period revenue invoiced in the subsequent period/accrued income	132 427	156 980	289 407
Foreign exchange gains	8 722	(3 731)	4 991
Measurement of forward contracts	-	937	937
Difference between the carrying amounts and tax bases of expenditure on development projects	254 638	134 546	389 184
Carrying amount of non-current assets leased	20 844	(1 060)	19 784
Other	151	(8)	143
<b>Total taxable differences, including:</b>	<b>434 562</b>	<b>290 390</b>	<b>724 952</b>
taxed at 5%	382 911	319 882	702 793
taxed at 19%	50 214	(29 482)	20 732
deferred tax charged abroad	1 437	(10)	1 427
<b>Deferred tax provisions</b>	<b>29 088</b>	<b>10 390</b>	<b>39 478</b>

\* restated data

The deferred part of the income tax was determined either at the corporate income tax rate of 19% for the tax base corresponding to income from other sources, or at the rate of 5% for the tax base corresponding to income from qualifying intellectual property (the so-called IP BOX). When determining the appropriate tax rate for temporary differences, the Group relied on forecasts of which tax base will give rise to the realization of the temporary differences recognized.

### Net deferred tax assets/provisions

	30.09.2023	30.06.2023*	31.12.2022*
Deferred tax assets	62 326	65 483	82 140
Deferred tax provisions	39 478	18 485	29 088

\* restated data

### Income tax expense recognized in the income statement

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
Current income tax, including:	6 425	14 776	29 944	47 638
withholding tax paid abroad	9 653	6 722	25 614	31 356
Change in deferred tax	24 380	(1 418)	30 439	5 459
<b>Income tax expense recognized in the income statement</b>	<b>30 805</b>	<b>13 358</b>	<b>60 383</b>	<b>53 097</b>

\* restated data

## Note 11. Share capital

### Share capital – structure as at 30.09.2023

Series	Number of shares	Value of the series/issue at par	Manner of covering share capital
A - M	99 910 510	99 910 510	Fully paid up
<b>Total</b>	<b>99 910 510</b>	<b>99 910 510</b>	-

As at the date of publication of this report, the Parent Company's share capital amounted to PLN 99 910 510 and consisted of 99 910 510 ordinary bearer shares with a par value of PLN 1 each, designated as A – M series shares. The total number of votes resulting from all shares of the Parent Company was 99 910 510.

During the reporting period and after the balance sheet date, there were no changes in the amount of the Parent Company's share capital.

### Changes in the share capital for the period 01.01.2023 – 30.09.2023

<b>Share capital as at 01.01.2023</b>	<b>100 771</b>
Increase	-
<b>Decrease due to:</b>	<b>860</b>
redemption of own shares	860
<b>Share capital as at 30.09.2023</b>	<b>99 911</b>

## Note 12. Provision for retirement and similar benefits

	30.09.2023	30.06.2023*	31.12.2022*
Provision for retirement and disability bonuses	376	376	376
Provisions for holiday pay	7 146	6 899	4 145
<b>Total, including:</b>	<b>7 522</b>	<b>7 275</b>	<b>4 521</b>
current	7 156	6 909	4 155
non-current	366	366	366

\* restated data

	Provisions for one-time retirement and disability bonuses	Provisions for holiday pay	Total
<b>As at 01.01.2023*</b>	<b>376</b>	<b>4 145</b>	<b>4 521</b>
Provisions recognized	-	7 146	7 146
Provisions released	-	4 145	4 145
<b>As at 30.09.2023, including:</b>	<b>376</b>	<b>7 146</b>	<b>7 522</b>
current	10	7 146	7 156
non-current	366	-	366

\* restated data



## Note 13. Other provisions

	30.09.2023	30.06.2023	31.12.2022
<b>Provision for liabilities, including:</b>	<b>64 289</b>	<b>28 200</b>	<b>98 640</b>
provision for costs of the audit and review of the financial statements	71	73	167
provision for costs of external services	1 104	910	850
provision for costs of performance-related and other remuneration	31 569	9 254	67 966
provision for other costs	31 545	17 963	29 657
<b>Total, including:</b>	<b>64 289</b>	<b>28 200</b>	<b>98 640</b>
current	48 662	22 030	88 042
non-current	15 627	6 170	10 598

### Changes in other provisions

	Provision for costs of performance-related and other remuneration	Other provisions	Total
<b>As at 01.01.2023</b>	<b>67 966</b>	<b>30 674</b>	<b>98 640</b>
Provisions recorded during the year	31 569	74 271	105 840
Provisions utilized/released	67 966	72 225	140 191
<b>As at 30.09.2023, including:</b>	<b>31 569</b>	<b>32 720</b>	<b>64 289</b>
current	31 569	17 093	48 662
non-current	-	15 627	15 627

## Note 14. Other liabilities

	30.09.2023	30.06.2023	31.12.2022
<b>Taxes (other than corporate income tax), customs duties, social security and other payables</b>	<b>13 334</b>	<b>9 775</b>	<b>9 547</b>
VAT	8 290	4 309	5 302
Withholding tax	433	504	32
Personal income tax	1 162	1 071	1 944
Social security contributions	3 197	3 764	2 043
PFRON (State Fund for Rehabilitation of Disabled People)	85	91	75
PIT-8AR (personal income tax) settlements	16	36	134
Other	151	-	17
<b>Other liabilities</b>	<b>2 889</b>	<b>3 485</b>	<b>3 317</b>
Liabilities in respect of pre-emptive rights and costs of future marketing services	2 440	2 500	2 620
Other settlements with employees	133	148	241
Other settlements with members of the Management Board	3	1	32
Prepayments received from foreign customers	-	-	8
Other liabilities	313	836	416
<b>Total other liabilities</b>	<b>16 223</b>	<b>13 260</b>	<b>12 864</b>
current	13 722	10 760	10 244
non-current	2 501	2 500	2 620

## Current and overdue other liabilities as at 30.09.2023

	Total	Not overdue	Overdue, in days				
			1 – 60	61 – 90	91 – 180	181 – 360	>360
To related entities	3	1	2	-	-	-	-
To other entities	16 220	15 887	125	3	1	1	203
<b>Total</b>	<b>16 223</b>	<b>15 888</b>	<b>127</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>203</b>

## Note 15. Deferred income

	30.09.2023	30.06.2023	31.12.2022
Subsidies	3 667	4 586	5 511
Sales relating to future periods	6 633	18 991	16 088
GOG wallet	4 832	4 746	4 460
Rental of company phones	44	41	35
<b>Deferred income, including:</b>	<b>15 176</b>	<b>28 364</b>	<b>26 094</b>
current	13 107	25 611	22 425
non-current	2 069	2 753	3 669

## Note 16. Information on financial instruments

### Fair values and hierarchy of specific classes of financial instruments

The Management Board of the Group has analysed specific classes of financial instruments. Based on the analysis, it was concluded that the carrying amounts of the instruments did not differ materially from their fair values as at both 30 September 2023, 30 June 2023 and 31 December 2022.

	30.09.2023	30.06.2023	31.12.2022*
<b>LEVEL 1</b>			
<b>Assets measured at fair value</b>			
<b>Assets measured at fair value through other comprehensive income</b>	<b>234 677</b>	<b>220 483</b>	<b>243 091</b>
bonds issued by foreign governments - EUR	16 327	15 609	25 111
bonds issued by foreign governments - USD	218 350	204 874	217 980
<b>LEVEL 2</b>			
<b>Assets measured at fair value through profit or loss</b>			
<b>Derivatives</b>	<b>937</b>	<b>20 534</b>	<b>7 809</b>
currency forwards - EUR	116	973	1 249
currency forwards - USD	821	19 561	6 560
<b>Private equity interests in the gaming sector</b>	<b>2 414</b>	<b>2 260</b>	<b>2 556</b>
private equity interests in the gaming sector - SEK	985	919	1 085
Private equity interests in the gaming sector - USD	1 429	1 341	1 471
<b>Liabilities measured at fair value through profit or loss</b>			
<b>Derivatives</b>	<b>3 632</b>	<b>227</b>	<b>891</b>
currency forwards - EUR	192	56	72
currency forwards - USD	3 440	171	819

\* restated data

Financial instruments measured at fair value are classified according to a three-level fair value hierarchy:

Level 1 – quoted prices in active markets for identical assets or liabilities.

Level 2 – fair value based on observable market data.

Level 3 – fair value based on market data that is not observable in the market.

### Financial assets – classification and measurement

	30.09.2023	30.06.2023	31.12.2022
<b>Financial assets measured at amortized cost</b>	<b>1 072 424</b>	<b>798 895</b>	<b>1 014 332</b>
Other non-current receivables	380	375	389
Trade receivables	287 833	83 557	165 290
Cash and cash equivalents	236 232	149 336	277 827
Bank deposits over 3 months	263 250	317 125	337 330
Treasury bonds and bonds guaranteed by the State Treasury	280 493	243 713	232 757
Loans granted	4 236	4 789	739
<b>Financial assets measured at cost</b>	<b>40 863</b>	<b>43 477</b>	<b>41 607</b>
Shares in non-consolidated subordinated entities	40 863	43 477	41 607
<b>Assets measured at fair value through other comprehensive income</b>	<b>234 677</b>	<b>220 483</b>	<b>243 091</b>
Bonds issued by foreign governments	234 677	220 483	243 091
<b>Financial assets measured at fair value through profit or loss</b>	<b>3 324</b>	<b>22 794</b>	<b>10 365</b>
Derivative financial instruments	937	20 534	7 809
Private equity interests in the gaming sector	2 387	2 260	2 556
<b>Total financial assets</b>	<b>1 351 288</b>	<b>1 085 649</b>	<b>1 309 395</b>

### Financial liabilities – classification and measurement

	30.09.2023	30.06.2023	31.12.2022
<b>Financial liabilities measured at amortized cost</b>	<b>97 549</b>	<b>76 327</b>	<b>99 689</b>
Trade payables	67 302	49 870	72 119
Other financial liabilities	30 247	26 457	27 570
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>3 632</b>	<b>227</b>	<b>891</b>
Derivative financial instruments	3 632	227	891
<b>Total financial liabilities</b>	<b>101 181</b>	<b>76 554</b>	<b>100 580</b>

In accordance with the requirements of *IFRS 9 Financial Instruments*, the Parent Company has analysed the business model for managing financial assets and examined the characteristics of contractual cash flows for each component of the bond portfolio, and concluded that:

- the purpose of investments in domestic and foreign Treasury bonds and domestic bonds guaranteed by the Polish State Treasury is to hold them to maturity and to collect contractual cash flows;
- investment mandates for managing the foreign bonds portfolio allow bonds to be sold before maturity as part of the adopted strategy;
- all bonds purchased meet the SPPI test.

As a result of the analysis conducted, purchased bonds were classified into two financial asset management models which differ in terms of the entity managing the bond portfolio. Polish Treasury bonds and bonds guaranteed by the Polish State Treasury are measured at amortized cost, because they are held to collect contractual cash flows. Foreign Treasury bonds are measured at fair value through other comprehensive income, because of the investment mandate which offers the possibility of the portfolio being managed by an Asset Manager.



In accordance with the requirements of *IFRS 13 Fair Value Measurement*, the Group has analysed the valuation of the financial instruments measured at amortized cost in the consolidated statement of financial position in order to determine their fair values and their classification in the fair value hierarchy.

Listed debt securities were classified to Level 1. They include State Treasury bonds and bonds guaranteed by the State Treasury whose fair value was determined on the basis of a market valuation provided by the brokerage office as part of the applicable agreement for the provision of brokerage services.

	30.09.2023	30.06.2023	31.12.2022
<b>LEVEL 1</b>			
<b>Fair value of assets measured at amortized cost</b>	<b>278 985</b>	<b>236 096</b>	<b>219 713</b>
Treasury bonds and bonds guaranteed by the State Treasury	278 985	236 096	219 713

Other items of financial assets and financial liabilities measured at amortized cost were classified to Level 3.

With regard to equity interests in other entities, the Group estimates the fair values of the shares held using the method which consists of forecasting future cash flows generated by the relevant cash generating unit and requires determining a discount rate to be used to calculate the present value of these cash flows. In justified cases, the Group assumes a historical cost as an acceptable approximation of the fair value.

The Group did not determine the fair values of receivables, trade payables, cash and cash equivalents, bank deposits over 3 months and loans granted with variable interest rates, because their carrying amounts are considered by the Group to be a reasonable approximation of their fair values.

There were no movements between the levels in the fair value hierarchy in the reporting period or in the comparative period.

## Note 17. Sales revenue

### Sales revenue – geographical structure 2023\*

	01.07.2023 – 30.09.2023		01.01.2023 – 30.09.2023	
	in PLN	in %	in PLN	in %
<b>Domestic sales</b>	<b>9 372</b>	<b>2.12%</b>	<b>23 238</b>	<b>3.03%</b>
<b>Export sales, including:</b>	<b>433 310</b>	<b>97.88%</b>	<b>744 454</b>	<b>96.97%</b>
Europe	76 338	17.24%	147 317	19.19%
North America	329 828	74.51%	540 442	70.40%
South America	1 577	0.36%	3 323	0.43%
Asia	22 270	5.03%	46 435	6.05%
Australia	3 042	0.69%	6 449	0.84%
Africa	255	0.05%	488	0.06%
<b>Total</b>	<b>442 682</b>	<b>100%</b>	<b>767 692</b>	<b>100%</b>

### Sales revenue – geographical structure 2022\*

	01.07.2022 – 30.09.2022		01.01.2022 – 30.09.2022	
	in PLN	in %	in PLN	in %
<b>Domestic sales</b>	<b>7 474</b>	<b>3.04%</b>	<b>22 337</b>	<b>3.58%</b>
<b>Export sales, including:</b>	<b>238 040</b>	<b>96.96%</b>	<b>601 170</b>	<b>96.42%</b>
Europe	35 513	14.46%	111 951	17.96%
North America	185 753	75.67%	433 794	69.57%
South America	881	0.36%	2 411	0.39%
Asia	14 055	5.72%	47 029	7.54%
Australia	1 788	0.73%	5 735	0.92%
Africa	50	0.02%	250	0.04%
<b>Total</b>	<b>245 514</b>	<b>100%</b>	<b>623 507</b>	<b>100%</b>

\* The data presented relate to the place of residence of the customers of the Group companies: for CD PROJEKT S.A. – distributors, and for retail sales conducted by GOG sp. z o.o., CD PROJEKT RED STORE sp. z o.o., and CD PROJEKT Inc. – end customers.

### Sales revenue – by type of production

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
Own production	390 534	203 189	628 634	489 057
Third party production	51 693	42 017	138 017	132 828
Other revenue	455	308	1 041	1 622
<b>Total</b>	<b>442 682</b>	<b>245 514</b>	<b>767 692</b>	<b>623 507</b>

### Sales revenue – by distribution channel

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
Games - box issues	10 364	1 640	32 306	19 076
Games - digital issues	428 659	194 033	716 880	540 872
Other revenue	3 659	49 841	18 506	63 559
<b>Total</b>	<b>442 682</b>	<b>245 514</b>	<b>767 692</b>	<b>623 507</b>

## Note 18. Operating expenses

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
Depreciation and amortization of property, plant and equipment, intangible assets, expenditure on development projects and investment properties, including:	3 271	3 425	9 942	10 771
depreciation of leased buildings	244	394	803	1 291
depreciation of leased vehicles	110	115	347	288
Materials and energy used	1 737	964	3 520	2 181
External services, including:	53 072	28 345	106 595	84 019
costs of short-term leases and low-value leases	121	123	363	362
Taxes and fees	704	533	1 645	1 086
Wages & salaries, social insurance and other benefits	56 854	36 723	138 274	107 279
Business travel	1 125	1 078	2 942	1 640
Cost of using company cars	63	55	180	172
Cost of goods for resale and materials sold	38 757	30 598	103 255	94 921
Costs of products and services sold	104 410	48 602	148 101	85 640
Other costs	614	914	1 276	2 411
<b>Total</b>	<b>260 607</b>	<b>151 237</b>	<b>515 730</b>	<b>390 120</b>
Selling expenses	66 140	45 064	152 470	135 697
Total administrative expenses, including:	51 300	26 973	111 904	73 862
cost of research projects	4 602	404	7 875	4 308
Cost of sales	143 167	79 200	251 356	180 561
<b>Total</b>	<b>260 607</b>	<b>151 237</b>	<b>515 730</b>	<b>390 120</b>

\* restated data

## Note 19. Other operating income and expenses

### Other operating income

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
Tax relief for innovative employees	4 635	-	12 353	-
Other sales	1 082	3 296	1 428	3 337
Subsidies	919	1 823	1 843	2 754
Rental income	138	1 696	2 294	5 046
Income from re-invoicing	131	197	553	595
Gains on disposal of non-current assets	48	256	73	265
Release of unused provisions for costs	38	-	178	232
Write-off of past liabilities of GOG.COM	-	2 230	-	2 230
Fixed assets and goods for resale received free of charge	-	306	168	306
Reversal of a write-down of expenditure on development projects in progress	-	-	21 531	-
Refund of overpaid tax on civil law transactions	-	-	94	-
Payments from enforcement officers	-	-	27	-
Release of provisions for minimum guarantees	-	-	-	376
Damages received	-	-	-	2
Other	421	15	205	61
<b>Total other operating income</b>	<b>7 412</b>	<b>9 819</b>	<b>40 747</b>	<b>15 204</b>

### Other operating expenses

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
Cost of sales of other sales	1 719	3 925	2 214	3 957
Cost of rental	552	994	2 265	2 825
Depreciation of investment properties	413	462	1 341	1 391
Disposal of fixed assets and intangible assets	163	-	3 042	483
Costs relating to re-invoicing	131	197	553	595
VAT written off	73	-	328	-
Donations and charity	41	89	445	1 312
Irrecoverable receivables	16	-	70	-
Impairment write-downs of property, plant and equipment, intangible assets and expenditure on development projects	-	911	-	911
Cost of disposal of materials and goods for resale (destruction)	-	12	171	2 771
Liquidation of investment properties	-	-	737	-
Other	135	193	390	447
<b>Total other operating expenses</b>	<b>3 243</b>	<b>6 783</b>	<b>11 556</b>	<b>14 692</b>

## Note 20. Finance income and costs

### Finance income

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>Interest income</b>	<b>10 666</b>	<b>9 344</b>	<b>36 443</b>	<b>27 363</b>
on current bank deposits	5 913	5 794	23 249	14 811
on bonds	4 668	3 550	13 007	12 337
on loans	85	-	187	215
<b>Other finance income</b>	<b>49 758</b>	<b>23 875</b>	<b>43 562</b>	<b>41 226</b>
release of write-downs of non-current financial assets	27 271	-	27 271	-
net foreign exchange gains	19 474	15 890	-	11 907
gain on redemption of bonds	-	4 929	2 294	22 437
settlement and measurement of derivative financial instruments	3 013	3 056	13 951	6 880
forward contracts - Management Board	-	-	-	2
other finance income	-	-	46	-
<b>Total finance income</b>	<b>60 424</b>	<b>33 219</b>	<b>80 005</b>	<b>68 589</b>

### Finance costs

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>Interest expense</b>	<b>200</b>	<b>206</b>	<b>847</b>	<b>923</b>
on bonds	-	39	18	240
on lease contracts	200	137	594	404
on liabilities to the State Treasury	-	30	232	278
on trade payables	-	-	3	1
<b>Other finance costs</b>	<b>12 794</b>	<b>18 070</b>	<b>9 946</b>	<b>36 590</b>
net foreign exchange losses	-	-	9 654	-
settlement and measurement of derivative financial instruments	12 696	17 990	-	36 343
commission and fees on purchase of bonds	71	80	214	247
measurement of private equity interests in the gaming sector	27	-	78	-
<b>Total finance costs</b>	<b>12 994</b>	<b>18 276</b>	<b>10 793</b>	<b>37 513</b>
<b>Net finance income/expense</b>	<b>47 430</b>	<b>14 943</b>	<b>69 212</b>	<b>31 076</b>

## Note 21. Leases of low-value assets and short-term leases

The Group has concluded lease contracts for office equipment (multifunctional photocopiers, kitchen appliances) and residential premises which potentially meet the recognition criteria for leases under the new IFRS 16. However, the Group considered these contracts to be short-term leases and leases of low-value assets and decided not to apply the new requirements for leases to these assets, as permitted by paragraph 5 of the standard. In such cases, lease payments are charged to costs of the period to which they relate, either on a straight line basis or in some other systematic way that reflects the distribution of costs over the life of the contract (information on the costs of these leases, incurred in the period from 1 July to 30 September 2023, is included in Note 18).





As at 30 September 2023, 30 June 2023 and 31 December 2022, future minimum payments in respect of irrevocable short-term leases and leases of low-value assets were as follows:

	30.09.2023	30.06.2023	31.12.2022
Up to 1 year	253	319	467
From 1 year to 5 years	210	199	334
<b>Total</b>	<b>463</b>	<b>518</b>	<b>801</b>

## Note 22. Issuance, redemption and repayment of debt and equity securities

### Issuance of debt securities

Not applicable.

### Issuance of equity securities

Specification	30.09.2023	30.06.2023	31.12.2022
Number of shares in thousands	99 911	99 911	100 771
Par value of shares in PLN	1	1	1
<b>Share capital</b>	<b>99 911</b>	<b>99 911</b>	<b>100 771</b>

## Note 23. Dividend paid (or declared) and received

During the period from 1 July to 30 September 2023, the Group companies did not pay or receive any dividends.

## Note 24. Transactions with related entities

### Terms and conditions of transactions with related entities

The terms and conditions of intra-group transactions were determined on the arm's length basis. The essence of this principle is based on the premise that the terms and conditions agreed in transactions between related parties should not differ from those that would be agreed between independent parties in a comparable situation. Controlled transactions concluded by the related entities which belong to the CD PROJEKT Group are tested for compliance with the arm's length basis based on the recommendations and methods provided for in OECD Guidelines and in the national legislation.

**Transactions with related entities after consolidation eliminations**

	Sales to related entities				Purchases from related entities			
	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>SUBSIDIARIES</b>								
Spokko sp. z o.o.	-	324	-	1 061	-	-	-	-
CD PROJEKT RED Vancouver Studio Ltd.	50	4	74	33	3 251	4 342	13 355	12 124
The Molasses Flood LLC	82	2	84	2	9 573	9 737	35 265	20 048
<b>MEMBERS OF THE MANAGEMENT BOARDS OF THE GROUP COMPANIES AND THE SUPERVISORY BOARD</b>								
Marcin Iwiński	-	-	-	1	-	-	-	-
Adam Kiciński	1	-	1	-	-	-	-	-
Piotr Nielubowicz	-	-	-	2	-	-	-	-
Michał Nowakowski	-	2	-	5	-	-	-	-
Adam Badowski	1	1	1	6	-	-	-	-
Piotr Karwowski	2	2	5	6	-	-	-	-
Urszula Jach - Jaki	1	-	2	1	-	-	-	-
Maciej Gołębiowski	1	-	1	1	-	-	-	-
Paweł Zawodny	-	-	6	7	-	-	-	-
Jeremiah Cohn	-	-	-	1	-	-	-	-
Maciej Nielubowicz	1	-	1	-	-	-	-	-

	Receivables from related entities			Liabilities to related entities		
	30.09.2023	30.06.2023	31.12.2022	30.09.2023	30.06.2023	31.12.2022
<b>SUBSIDIARIES</b>						
Spokko sp. z o.o.	-	2	156	-	246	-
CD PROJEKT RED Vancouver Studio Ltd.	2 296	563	1 694	1 725	1 730	2 746
The Molasses Flood LLC	4 322	4 789	742	2 565	2 855	2 579
<b>MEMBERS OF THE MANAGEMENT BOARDS OF THE GROUP COMPANIES AND THE SUPERVISORY BOARD</b>						
Marcin Iwiński	-	-	-	-	-	7
Adam Kiciński	-	-	-	-	-	13
Piotr Nielubowicz	-	-	2	-	-	13
Michał Nowakowski	2	-	-	-	-	4
Adam Badowski	-	-	-	3	1	6
Piotr Karwowski	-	-	-	-	-	2



**Note 25. Unpaid loans or defaults on loan agreements in the cases where no corrective measures were adopted by the balance sheet date**

Not applicable.

## Note 26. Changes in contingent liabilities or contingent assets which occurred after the end of the last financial year

### Contingent liabilities in respect of guarantees, sureties and collateral

	Specification	Currency	30.09.2023	30.06.2023	31.12.2022
<b>mBank S.A.</b>					
Bill of exchange agreement	Framework agreement on financial market transactions	PLN	50 000	50 000	50 000
Bill of exchange agreement	Bank guarantee securing a rental contract	PLN	427	427	427
<b>Mazovian Unit for Implementation of EU Programmes</b>					
Contractual commitment	Commitment to incur operating and renovation expenditures on leased space	PLN	-	-	20
<b>National Centre for Research and Development</b>					
Bill of exchange agreement	Subsidy agreement POIR.01.02.00-00-0105/16	PLN	7 711	7 711	7 711
Bill of exchange agreement	Subsidy agreement POIR.01.02.00-00-0110/16	PLN	3 846	3 846	3 846
Bill of exchange agreement	Subsidy agreement POIR.01.02.00-00-0112/16	PLN	3 692	3 692	3 692
Bill of exchange agreement	Subsidy agreement POIR.01.02.00-00-0118/16	PLN	1 358	1 358	1 358
Bill of exchange agreement	Subsidy agreement POIR.01.02.00-00-0120/16	PLN	1 204	1 204	1 204
<b>Pekao Leasing Sp. z o.o.</b>					
Bill of exchange agreement	Lease contract 37/1991/21	PLN	202	240	314
<b>Santander Bank Polska S.A. (formerly: BZ WBK S.A.)</b>					
Bill of exchange agreement	Framework agreement on financial market transactions	PLN	23 500	23 500	23 500



**Bank Polska Kasa Opieki Spółka Akcyjna**

Bill of exchange agreement	Framework agreement on financial market transactions	PLN	50 000	50 000	50 000
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**BNP Paribas Bank Polska S.A.**

Bill of exchange agreement	Framework agreement on financial market transactions	PLN	26 600	26 600	26 600
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## Note 27. Changes in the structure of the Group and Group companies during the reporting period

- Registration of the merger of the Parent Company with its subsidiary - Spokko sp. z o.o.

On 31 August 2023, the District Court for the Capital City of Warsaw in Warsaw entered the merger-through-acquisition of the Parent Company, as the surviving company, with its subsidiary Spokko sp. z o.o. with its registered office in Warsaw, as the target company, in the Register of Businesses. The merger was carried out in accordance with the merger plan announced on 20 April 2023, i.e. by transferring all of the assets of Spokko sp. z o.o. to the Parent Company, without increasing the share capital of the Parent Company and without exchanging shares of the target company for shares of the Parent Company due to the fact that the Parent Company holds 100% of the shares in the target company.

## Note 28. Agreements that may result in future changes in the proportions of shares held by shareholders and bondholders

### Incentive Plan for the years 2023-2027

Based on the resolutions of the Parent Company's General Meeting of 28 July 2020, two new incentive plans for the financial years 2023-2027 were introduced on that date, replacing the Incentive Plan for 202-2025: the Incentive Plan A and Incentive Plan B.

#### Incentive Plan A

Incentive Plan A is addressed to persons who are not members of the Management Board of the Parent Company. The assumptions are that the entitlements in this plan will be granted in each of the financial years 2023-2027 (i.e. in five phases). A maximum of 1 500 000 entitlements may be granted under the entire Incentive Plan A. The entitlements will be realized alternatively through: (i) offering participants to subscribe for warrants entitling them to subscribe for an identical number of shares in the Parent Company, issued as part of the conditional share capital increase, or (ii) offering participants to purchase from the Parent Company the Treasury shares acquired by the Parent Company as part of a buy-back carried out for this purpose. Taking up and exercising the rights from the subscription warrants or, as the case may be, purchasing the Parent Company's shares by the participant under Incentive Plan A will be conditional upon meeting the loyalty criterion (understood as participants of Incentive Plan A remaining in a legal relationship with the Parent Company or its related entity during the vesting period). The price of taking up or acquiring the Company's shares as part of executing entitlements under Plan A will correspond to the nominal value of the Parent Company's shares. The vesting period will be 3 years.

By the date of publication of this report, 100 444 entitlements were awarded under Incentive Plan A, of which 96 322 remain active.

### Assumptions made for the valuation of Incentive Plan A for the years 2023-2027

Date of vesting	CDR volatility ratio	Risk-free interest rate
Entitlements granted on 26.05.2023	44%	6.2%
Entitlements granted on 27.05.2023	44%	6.2%
Entitlements granted on 29.05.2023	44%	5.9%
Entitlements granted on 07.06.2023	44%	5.8%

### Changes in entitlements granted under Incentive Plan A for the years 2023-2027

Specification	01.01.2023 – 30.09.2023
	Number of shares
Granted during the period	100 444
Forfeited during the period	4 122
Unrealized as at the end of the period	1 500 000
Granted, unrealized as at the end of the period	96 322

**Incentive Plan B**

Incentive Plan B is addressed to both persons who are members of the Parent Company's Management Board and persons who are not members of the Management Board. The assumptions are that the entitlements in this plan will be granted in each of the financial years 2023-2027 (i.e. in five phases). A maximum of 3 500 000 entitlements may be granted under the entire Incentive Plan B. The entitlements will be realized alternatively through: (i) offering participants to subscribe for warrants entitling them to subscribe for an identical number of shares in the Parent Company, issued as part of the conditional share capital increase, or (ii) offering participants to purchase from the Parent Company the Treasury shares acquired by the Parent Company as part of a buy-back carried out for this purpose. Taking up and exercising the rights from the subscription warrants or, as the case may be, purchasing the Parent Company's shares by the eligible persons under Incentive Plan B will be conditional upon the Parent Company determining that the performance condition (for 70% of the entitlements), the market condition (for 30% of the entitlements), and in selected cases the individual conditions and, in each case, the loyalty condition (understood as participants of Incentive Plan A remaining in a legal relationship with the Parent Company or its related entity during the vesting period) have been met. The base price of subscription for or purchase of the Company's shares as part of exercising the entitlements under Plan B will correspond to the price of the Parent Company's shares at the close of the last trading session preceding the date of the relevant resolution on the participant's inclusion in the plan. The plan provides for the possibility to reduce the price of subscription for or purchase of the shares with a simultaneous proportional reduction in the number of rights to be exercised by the participant. The base vesting period corresponds to four consecutive financial years starting from the year in which the relevant phase commenced (with the possibility of being shortened to three financial years for performance-related entitlements in the event of the four-year performance target being achieved faster over a three-year period).

By the date of publication of this report, 662 000 entitlements were awarded under Incentive Plan B, of which 662 000 remain active.

**Assumptions made for the valuation of Incentive Plan B for the years 2023-2027**

Date of vesting	CDR volatility ratio	WIG volatility ratio	WIG correlation ratio	Risk-free interest rate
Entitlements granted on 26.05.2023	44%	21%	43%	6.1%

**Changes in entitlements granted under Incentive Plan B for the years 2023-2027**

Specification	01.01.2023 – 30.09.2023
	Number of shares
Granted during the period	662 000
Unrealized as at the end of the period	3 500 000
Granted, unrealized as at the end of the period	662 000





## Note 29. Tax settlements

Tax settlements and other areas of activities regulated by the tax law may be subject to inspections by administrative bodies which are entitled to impose high penalties or sanctions. The lack of reference to established legal regulations in Poland results in ambiguities and inconsistencies in the binding regulations. Frequent differences of opinion as to the legal interpretation of tax regulations, both internally within the state bodies and between the state bodies and enterprises, result in areas of uncertainty and conflict arising. Due to these factors, the tax risk in Poland is considerably higher than that usually existing in countries with more developed tax systems.

In accordance with a general rule, tax settlements may be subject to inspections within 5 years from the end of the year in which tax was paid.

Following the fulfilment of the criteria set out in Article 19 of the Act of 30 May 2008 on certain forms of innovation support (consolidated text, Journal of Laws of 2022, item 2474), the Minister of Development and Technology, by decision No. DNP-4241.27.2023.2 of 23 August 2023, maintained the status of a research and development centre granted to the Parent Company by decision 4/CBR/18 of 19 June 2018. The status allows the Parent Company to use the research and development relief provided for in the Act of 15 February 1992 on corporate income tax (consolidated text, Journal of Laws of 2022, item 2587, as amended, hereinafter called the "CIT Act").

Starting from the month following the submission of the CIT-8 tax return, the Parent Company enjoys a relief in respect of an innovative employee. As part of the relief, it is possible to deduct the research and development relief which the Parent Company did not deduct from the tax base in the tax return for the previous tax year. As a result of using tax relief in respect of an innovative employee, the Parent Company reduces tax advances remitted to the tax office in respect of personal income tax and flat-rate personal income tax for employees carrying out research and development projects for the Parent Company. At the same time, the amount of the research and development relief reported and not deducted is reduced (the reduction is the product of the personal income tax liability due and the personal income tax rate).

With effect from 1 January 2019, provisions were introduced into the Act on corporate income tax, granting preferential taxation at a 5% tax rate for qualified income earned by a taxpayer from qualified intellectual property rights. Having met the prerequisites and formal conditions contained in the said legislation, the Parent Company accounts for income (in respect of selected sources of income), taking this tax relief into account.

## Note 30. Explanations to the condensed consolidated statement of cash flows

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>Cash and cash equivalents reported in the statement of cash flows</b>	<b>236 232</b>	<b>198 689</b>	<b>236 232</b>	<b>198 689</b>
Cash and cash equivalents in the balance sheet	236 232	198 689	236 232	198 689
<b>Depreciation and amortization</b>	<b>3 271</b>	<b>3 425</b>	<b>9 942</b>	<b>10 771</b>
Amortization of intangible assets	437	535	1 580	1 615
Amortization of expenditure on development projects	101	211	359	833
Depreciation of property, plant and equipment	2 730	2 672	7 985	8 297
Depreciation of investment properties	3	7	18	26
<b>Foreign exchange gains/(losses) arise on the following items:</b>	<b>(14 819)</b>	<b>(19 888)</b>	<b>4 024</b>	<b>(24 769)</b>
Foreign exchange gains and losses on measurement of private equity interests in the gaming sector	(128)	-	118	-
Foreign exchange gains/(losses) on measurement of loans granted as at the balance sheet date	(364)	-	(140)	-
Foreign exchange gains/(losses) on measurement of leases	(81)	-	(252)	-
Foreign exchange gains/(losses) on measurement of bonds	(14 246)	(19 888)	4 298	(24 769)
<b>Interest and shares in profits comprise:</b>	<b>(10 466)</b>	<b>(9 168)</b>	<b>(35 831)</b>	<b>(26 719)</b>
Interest on bank deposits	(5 913)	(5 794)	(23 249)	(14 811)
Interest on bonds	(4 668)	(3 511)	(12 989)	(12 097)
Interest accrued on loans granted	(85)	-	(187)	(215)
Interest on lease contracts	200	137	594	404
<b>(Gains)/losses on investing activities arise on the following items:</b>	<b>(14 501)</b>	<b>13 796</b>	<b>(57 543)</b>	<b>15 282</b>
Proceeds from sale of property, plant and equipment	(127)	(260)	(152)	(274)
Net carrying amount of property, plant and equipment	79	4	79	9
Net carrying amount of non-current assets scrapped	163	-	296	200
Net carrying amount of intangible assets liquidated and expenditure on research and development projects	-	-	2 746	283
Net carrying amount of investment properties liquidated	-	-	737	-
Impairment write-downs of property, plant and equipment, intangible assets and expenditure on development projects	-	911	-	911
Release of write-downs of shares in subsidiaries	(27 271)	-	(27 271)	-
Reversal of impairment write-downs of property, plant and equipment, intangible assets and expenditure on development projects	-	-	(21 531)	-
Settlement and measurement of derivative financial instruments	12 696	17 990	(10 301)	36 343
Measurement of private equity interests in the gaming sector	-	-	51	-
Disclosure of property, plant and equipment and intangible assets	-	-	(4)	-
Commission and fees on purchase of bonds	71	80	214	247
Proceeds from redemption of bonds	-	(34 672)	(36 711)	(192 373)
Value of bonds purchased	-	29 743	34 417	169 936
Settlement of lease contracts expired	(112)	-	(113)	-



	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
<b>Changes in provisions result from the following items:</b>	<b>36 413</b>	<b>13 066</b>	<b>(11 526)</b>	<b>(36 231)</b>
Increase/(Decrease) in provisions for liabilities	36 089	19 458	(34 351)	(29 545)
Increase/(Decrease) in provisions for employee benefits	247	(397)	3 001	1 301
Increase/(Decrease) in provision for the costs of performance-related and other remuneration recognized under expenditure on development projects	77	(5 995)	19 824	(7 987)
<b>Changes in inventories result from the following items:</b>	<b>655</b>	<b>644</b>	<b>5 238</b>	<b>1 394</b>
(Increase)/Decrease in inventories	655	644	5 238	1 394
<b>Changes in receivables result from the following items:</b>	<b>(205 052)</b>	<b>(87 658)</b>	<b>(126 129)</b>	<b>(15 016)</b>
(Increase)/Decrease in current receivables in the balance sheet	(198 161)	(80 029)	(112 546)	41 775
(Increase)/Decrease in non-current receivables in the balance sheet	(5)	(53)	9	(101)
(Increase)/Decrease in prepayments for investment properties	54	-	54	(79)
Income tax settled against withholding tax	5	-	14 914	27 961
Withholding tax paid abroad	(9 653)	(6 720)	(25 612)	(31 353)
Adjustment for current income tax	2 488	(1 133)	(1 554)	(26 751)
(Increase)/Decrease in prepayments for development projects	(1 085)	211	(800)	(26 575)
(Increase)/Decrease in prepayments for property, plant and equipment and intangible assets	-	66	(105)	107
(Increase)/Decrease in receivables in respect of the sale of property, plant and equipment and intangible assets	1 305	-	(489)	-
<b>Changes in current liabilities, excluding loans and borrowings, result from the following items:</b>	<b>17 197</b>	<b>4 762</b>	<b>1 768</b>	<b>12 285</b>
Increase/(Decrease) in current liabilities in the balance sheet	26 302	(82 424)	1 353	7 994
Adjustment for current income tax	(147)	(6 468)	1 970	17 978
Increase/(Decrease) in other current financial liabilities	(5 757)	(8 867)	(4 657)	(12 789)
Increase/(Decrease) in liabilities in respect of security deposits	61	-	61	-
Increase/(Decrease) in liabilities resulting from purchase of property, plant and equipment	(3 308)	1 788	2 455	(933)
Increase/(Decrease) in liabilities resulting from purchase of intangible assets	46	(6)	586	25
Increase/(Decrease) in liabilities resulting from dividends from retained earnings	-	100 739	-	-
Increase/(Decrease) in liabilities resulting from the purchase of investment properties	-	-	-	10
<b>Changes in other assets and liabilities result from the following items:</b>	<b>(23 916)</b>	<b>(11 201)</b>	<b>(32 028)</b>	<b>(45 874)</b>
(Increase)/Decrease in prepayments and accruals in the balance sheet	(10 668)	(12 722)	(20 929)	(32 489)
Increase/(Decrease) in deferred income in the balance sheet	(13 188)	1 581	(10 918)	(13 205)
Adjustment for prepayments and deferred costs with the corresponding entry in liabilities	(60)	(60)	(181)	(180)

\* restated data



	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>The value of “Other adjustments” comprises:</b>	<b>5 304</b>	<b>1 539</b>	<b>19 002</b>	<b>6 869</b>
Costs of the incentive plan	3 311	967	13 451	3 285
Measurement of derivative financial instruments	(1 164)	(714)	(1 829)	(651)
Amortization and depreciation written off, reported under cost of sales, consortium settlements and other operating expenses	83	-	82	1 046
Amortization and depreciation reported under cost of sales and other operating expenses	492	806	2 036	2 470
Accounting for shares in the acquired entity	32 854	-	32 854	-
Retained earnings of the acquired entity	(26 979)	-	(26 979)	-
Net profit or loss of the acquired entity	(3 653)	-	-	-
Deferred tax asset of the acquired entity	(233)	-	(233)	-
Net amount of property, plant and equipment and intangible assets of the acquired entity	378	-	(228)	-
Foreign exchange differences on translation	215	480	(52)	781
Other adjustments	-	-	(100)	(62)

## Note 31. Cash flows and non-monetary changes resulting from changes in liabilities in financing activities

	01.07.2023	Cash flows	Non-monetary changes				30.09.2023
			Takeover of fixed assets leased	Foreign exchange differences	Interest accrued	Adoption of resolution on the payment of dividend	
Lease liabilities	20 307	(679)	2 519	57	200	-	22 404
<b>Total</b>	<b>20 307</b>	<b>(679)</b>	<b>2 519</b>	<b>57</b>	<b>200</b>	<b>-</b>	<b>22 404</b>

	01.07.2022	Cash flows	Non-monetary changes				30.09.2022
			Takeover of fixed assets leased	Foreign exchange differences	Interest accrued	Adoption of resolution on the payment of dividend	
Lease liabilities	19 362	(909)	194	167	137	-	18 951
Liabilities to shareholders in respect of dividend payment	100 739	(100 739)	-	-	-	-	-
<b>Total</b>	<b>120 101</b>	<b>(101 648)</b>	<b>194</b>	<b>167</b>	<b>137</b>	<b>-</b>	<b>18 951</b>

	01.01.2023	Cash flows	Non-monetary changes				30.09.2023
			Takeover of fixed assets leased	Foreign exchange differences	Interest accrued	Adoption of resolution on the payment of dividend	
Lease liabilities	20 761	(2 484)	3 711	(177)	593	-	22 404
Liabilities to shareholders in respect of dividend payment	-	(99 911)	-	-	-	99 911	-
<b>Total</b>	<b>20 761</b>	<b>(102 395)</b>	<b>3 711</b>	<b>(177)</b>	<b>593</b>	<b>99 911</b>	<b>22 404</b>

	01.01.2022	Cash flows	Non-monetary changes				30.09.2022
			Takeover of fixed assets leased	Foreign exchange differences	Interest accrued	Adoption of resolution on the payment of dividend	
Lease liabilities	16 655	(3 049)	4 775	168	404	-	18 953
Liabilities to shareholders in respect of dividend payment	-	(100 739)	-	-	-	100 739	-
<b>Total</b>	<b>16 655</b>	<b>(103 788)</b>	<b>4 775</b>	<b>168</b>	<b>404</b>	<b>100 739</b>	<b>18 953</b>

## Note 32. Post balance sheet events

On 5 October 2023, in the [current report no. 38/2023](#), the Management Board of the Parent Company informed that, based on reports from digital distribution platforms, by the end of the first week after the launch, that is up to and including 3 October 2023, gamers had purchased over 3 million copies of the *Cyberpunk 2077: Phantom Liberty* expansion across all hardware platforms available. At the same time, the Management Board informed that according to initial data the total value of direct expenses incurred on the production of the *Cyberpunk 2077: Phantom Liberty* expansion amounted to approximately PLN 275 million and the costs of the global marketing campaign related to the launch of the expansion directly organized by the Parent Company amounted to approximately PLN 95 million.

On 5 October 2023, in the [current report no. 39/2023](#), the Management Board of the Parent Company informed that the Company had received a notification from Mr. Adam Kiciński of his intention to stand as a future candidate for the position of Member of the Supervisory Board of the Parent Company from 2025 and, as a consequence, of his intention to resign, in the future, from the position of Member of the Management Board as of the end of 2024. The full contents of Mr. Adam Kiciński's letter are attached as an appendix to the said report. In connection with the said decision, the Management Board has decided that as of 1 January 2024 the internal segregation of duties with regard to the individual areas of the Company's business activities among the Members of the Management Board will be updated and, as a consequence, the roles and designations of the functions of the Members of the Management Board will be changed as follows: (i) Mr. Adam Kiciński will perform the role of the Chief Strategy Officer (CSO); (ii) the role of the Chief Executive Officer (CEO) will be performed jointly by: Mr. Adam Badowski, currently performing the role of the Chief Creative Officer, who has been with the Company for 20 years, and Mr. Michał Nowakowski, currently performing the role of the Chief Commercial Officer, who has been with the Company for 18 years. Mr. Adam Badowski and Mr. Michał Nowakowski will use the same designation of Joint Chief Executive Officer (Joint CEO). The Company informed further on the adoption of the new functional designations in the [current report no. 37/2023](#).

On 23 October 2023, the share capital of CD PROJEKT RED Inc. was increased by USD 1100 thousand i.e. up to USD 7120 thousand, by increasing the value of the existing 10 thousand shares by USD 110 each. The increased value of the existing shares was paid up in full by a cash contribution of USD 1100 thousand, made by the Parent Company. The capital increase was intended to enable finalizing the last stage of the process of acquisition of shares in The Molasses Flood LLC (payment of the third tranche).

On 27 October 2023, CD PROJEKT RED Inc. concluded an agreement based on which it acquired additional shares in The Molasses Flood LLC from one of its shareholders at that time, thus becoming the owner of 81.82% (i.e. 450 000) of the shares in that company.

On 28 November 2023, in the current report no. 42/2023, the Management Board of the Parent Company informed that it has received a notification to the effect that the U.S. District Court for the Central District of California had issued an order regarding final approval of the settlement, i.e. *Order re: motion for final approval of class action settlement*. The final approval of class action settlement confirms the final terms of the settlement reached in the U.S. class action lawsuit (as the Parent Company informed in detail in the [current report no. 45/2021](#) and the [current report no. 5/2022](#)) and ends the legal proceedings related to the U.S. class action lawsuit filed against the Company and other defendants.



CD PROJEKT

## Additional information

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## Litigation pending

During the reporting period, the following material proceedings were pending (as at the date of publication of the financial statements).

### **Criminal cases in which CD PROJEKT S.A. has the status of the aggrieved party**

#### **Case against private individuals (including former members of the Management Board of Optimus S.A.) for acts to the detriment of the Company**

On 27 October 2016, the Regional Court in Warsaw, in Case ref. no. XVIII K 126/09 as a result of the indictment by the Public Prosecutor's Office of the Regional Prosecutor's Office in Warsaw to the Regional Court, passed a sentence convicting Michał L., Piotr L. and Michał D., ascribing to them the commission of acts under Article 296 § 1 of the Penal Code and Article 296 § 3 of the Penal Code and others. The Parent Company acted as an auxiliary prosecutor at first instance (a status it retains until the end of the proceedings). The scope of damages awarded under Article 46 of the Penal Code amounted to a total of PLN 210 thousand, with the damage ascertained by the court amounting to at least PLN 16 million according to the operative part of the verdict (this method of determining damage results from the principles of adjudication in criminal proceedings). The Company appealed against the judgment, requesting that it be amended, including, *inter alia*, the part relating to the amount of damages awarded to the Company. Appeals were also filed by the defendants' counsels – against the entire decision and by the prosecutor – against a part of the judgment. On 26 October 2017, the Court of Appeals overturned the judgment of the Court of First Instance in the case in its entirety and referred the case to the Court of First Instance for retrial in its entirety. The Regional Court in Warsaw is currently examining the case under Case number XVIII K 316/17. The Parent Company is acting as an auxiliary prosecutor in the case.

### **Cases in which CD PROJEKT S.A. has the status of the defendant**

#### **Class action lawsuit against CD PROJEKT S.A. concerning US securities**

On 25 December 2020 and 15 January 2021, the Management Board of the Parent Company received confirmation of the filing of civil class actions before the United States District Court for the District of Central California. The lawsuits were filed by law firms acting on behalf of groups of holders of US financial instruments listed under the symbols "OTGLY" and "OTGLF" and based on the Company's shares. The plaintiffs sought a judicial determination whether the actions of the Company and its Management Board Members in connection with the launch of the Cyberpunk 2077 game constituted a violation of federal regulations by, among other things, misleading investors, thereby leading to losses on their part. In the following months, the Company became aware of two other lawsuits also filed in the local court, identical in subject matter and directed against CD PROJEKT S.A. The contents of all of the said lawsuits did not specify the value of the claim. On 18 May 2021, the Company was informed that the court consolidated the lawsuits filed and selected a lead plaintiff. Following consolidation, all four lawsuits filed were being dealt with in a single proceeding.

On 29 June 2021, the Company received a copy of the lawsuit filed against the Company, as well as the members of its Management Board, by the law firm representing the lead plaintiff and the other qualifying holders of US securities listed under the symbols "OTGLY" and "OTGLF". The contents of the lawsuit filed did not differ in subject matter from the previously filed unconsolidated lawsuits in this regard, nor did it specify the value of the claims.

On 12 August 2021, the Company filed a response to the claim seeking dismissal of the action. Subsequently, on 5 October 2021, the Company received a pleading from the plaintiffs challenging the motion to dismiss, to which the Company responded on 17 November 2021, again seeking dismissal of the action.

On 7 December 2021, the Company entered into settlement negotiations with the plaintiffs, resulting in the signing of a Settlement Term Sheet on 16 December 2021, whereby the Company agreed to pay the plaintiffs USD 1 850 thousand in exchange for the waiver of all claims against the Company. A settlement agreement with the Company's insurer, Colonnade Insurance S.A., Polish Branch, was also obtained.

On 27 January 2022, the Company entered into a formal settlement document, the Stipulation Agreement, confirming the findings of the Settlement Term Sheet. The Stipulation Agreement, just like the Settlement Term Sheet previously entered into, contains a statement that there is no admission of any fault on the part of the Company or the other defendants.

On 4 January 2023, the Company received information that the United States District Court for the District of Central California had issued an Order for preliminary approval of the settlement document. The order approves the terms of the settlement relating specifically to the plaintiffs' complete withdrawal of any claims against the Company and members of its Management Board, and the payment of USD 1 850 000 to the plaintiffs' class by the Company and its insurer, i.e. Colonnade Insurance S.A. Branch in Poland.

On 28 November 2023, the Company received a notification to the effect that the U.S. District Court for the Central District of California had issued an order regarding final approval of the settlement (*Order re: motion for final approval of class action settlement*). The final approval of class action settlement confirms the final terms of the settlement and ends the legal proceedings related to the U.S. class action lawsuit filed against the Company and other defendants.

### **Litigation involving subsidiaries**

#### **Proceedings of GOG sp. z o.o. before the Voivodship Administrative Court in Kraków**

On 19 August 2022, the Head of the Małopolski Customs and Tax Office in Kraków issued a decision against the subsidiary GOG sp. z o.o., determining the corporate income tax liability for 2016. The Management Board of GOG sp. z o.o. paid the liability resulting from the decision received which amounted to PLN 2 638 thousand, including interest due as at the payment date. Irrespective of the above, GOG sp. z o.o. disagreed with the assessment by the tax authorities and appealed against the decision on 5 September 2022.



On 22 May 2023, the Head of the Małopolski Customs and Tax Office in Kraków, which also acted as the appeal authority in this case, issued a decision upholding the contested decision. The decision of the appeal authority was served on GOG sp. z o.o. on 5 June 2023.

On 4 July 2023, the Management Board of GOG sp. z o.o., disagreeing with the position of the tax authority, filed a complaint against the decision issued with the Voivodeship Administrative Court in Kraków. On 3 October 2023, a hearing before the Voivodeship Administrative Court in Kraków was held, as a result of which the said Court issued a judgment overruling the decisions of the Head of the Małopolski Customs and Tax Office of 19 August 2022 and 22 May 2023. As at the date of publication of this report, the judgment has the status of a non-final decision.

## Shareholding structure

### Shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the Parent Company's General Shareholders' Meeting as at the date of publication of the quarterly report

The Parent Company's share capital amounts to PLN 99 910 510 and consists of 99 910 510 shares with a nominal value of PLN 1 each. The shareholding structure, including the percentage share in the share capital and at the General Shareholders' Meeting of the Parent Company, is updated on the basis of formal notifications received by the Parent Company from the shareholders holding at least 5% of the total number of votes at the General Shareholders' Meeting of the Parent Company.

	Number of votes at the GSM	% of votes at the GSM
Marcin Iwiński	12 873 520	12.89%
Michał Kiciński <sup>1</sup>	9 989 363	9.99%
Piotr Nielubowicz	6 858 717	6.86%

<sup>1</sup> According to the latest statement submitted to the Company - [current report no. 41/2023](#) of 13 November 2023.

### Changes in the shareholding structure of the Parent Company

In the reporting period presented, the Parent Company did not receive any notifications concerning changes in the number of voting rights or the Parent Company's shares held.

After the balance sheet date, on 13 November 2023, the Parent Company received a notification from a shareholder, Mr. Michał Kiciński, according to which the number of shares in the Parent Company held by Mr. Michał Kiciński had decreased from 9 995 024 (i.e. 10.00% of the total number of votes) to 9 989 363 (i.e. 9.99% of the total number of votes). The status resulting from the said notification is presented in the table above.

## Parent Company's shares held by the members of the Management Board and the Supervisory Board

### Changes in the number of shares held by the Members of the Management Board and the Supervisory Board\*

Name and surname	Position	As at 01.01.2023	As at 30.09.2023	As at 28.11.2023
Adam Kiciński	Member of the Board	4 046 001	4 046 001	4 046 001
Piotr Nielubowicz	Member of the Board	6 858 717	6 858 717	6 858 717
Adam Badowski	Member of the Board	692 640	692 640	692 640
Michał Nowakowski	Member of the Board	530 290	530 290	530 290
Piotr Karwowski	Member of the Board	108 728	108 728	108 728
Paweł Zawodny	Member of the Board	18 508	18 508	18 508
Marcin Iwiński	Chair of the Supervisory Board	12 873 520	12 873 520	12 873 520
Katarzyna Szwarc	Deputy Chair of the Supervisory Board	10	10	10
Maciej Nielubowicz	Secretary of the Supervisory Board	51	51	51

\* based on statements and notifications submitted to the Company

## Reference to published estimates

The Group did not publish any estimated data relating to the period presented.



**CD PROJEKT**

**Interim condensed separate financial  
statements of CD PROJEKT S.A.**

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## Interim condensed separate income statement

	Note	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
<b>Sales revenue</b>		<b>381 921</b>	<b>203 081</b>	<b>625 242</b>	<b>494 049</b>
Sales of products		380 646	201 452	617 254	485 205
Sales of services		70	359	356	1 495
Sales of goods for resale and materials		1 205	1 270	7 632	7 349
<b>Cost of sales of products, services, goods for resale and materials</b>		<b>107 298</b>	<b>49 835</b>	<b>157 441</b>	<b>90 842</b>
Costs of products and services sold		106 104	48 617	149 521	85 397
Cost of goods for resale and materials sold		1 194	1 218	7 920	5 445
<b>Gross profit/(loss) on sales</b>		<b>274 623</b>	<b>153 246</b>	<b>467 801</b>	<b>403 207</b>
Selling expenses		52 873	35 335	121 164	105 969
Administrative expenses		47 963	24 012	102 596	64 929
Other operating income		7 578	7 881	41 307	13 499
Other operating expenses		3 591	6 874	12 094	15 467
(Impairment)/reversal of impairment of financial instruments		(5)	(9)	(1)	(17)
<b>Operating profit/(loss)</b>		<b>177 769</b>	<b>94 897</b>	<b>273 253</b>	<b>230 324</b>
Finance income		60 161	33 955	78 880	70 305
Finance costs		12 984	18 740	6 316	40 114
<b>Profit/(loss) before tax</b>		<b>224 946</b>	<b>110 112</b>	<b>345 817</b>	<b>260 515</b>
Income tax	A	29 933	13 054	59 437	52 383
<b>Net profit/(loss)</b>		<b>195 013</b>	<b>97 058</b>	<b>286 380</b>	<b>208 132</b>
<b>Net earnings/(loss) per share (in PLN)</b>					
Basic for the reporting period		1.95	0.96	2.85	2.07
Diluted for the reporting period		1.95	0.96	2.85	2.07

\* restated data



## Interim condensed separate statement of comprehensive income

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
<b>Net profit/(loss)</b>	<b>195 013</b>	<b>97 058</b>	<b>286 380</b>	<b>208 132</b>
<b>Other comprehensive income subject to reclassification to gains or losses after specific conditions have been met</b>	<b>(479)</b>	<b>(6 298)</b>	<b>(142)</b>	<b>(14 289)</b>
Measurement of derivative financial instruments - fair value through other comprehensive income, taking into account the tax effect	(479)	(6 298)	(142)	(14 289)
<b>Other comprehensive income not subject to reclassification to gains or losses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>194 534</b>	<b>90 760</b>	<b>286 238</b>	<b>193 843</b>

\* restated data

## Interim condensed separate statement of financial position

	Note	30.09.2023	30.06.2023*	31.12.2022*
<b>NON-CURRENT ASSETS</b>		<b>1 228 171</b>	<b>1 265 852</b>	<b>1 096 803</b>
Property, plant and equipment		167 301	159 479	143 439
Intangible assets		69 250	70 414	70 324
Expenditure on development projects		572 915	597 658	473 504
Investment properties		34 612	37 429	42 560
Goodwill	C	49 167	49 168	49 168
Investments in subordinated entities		52 698	57 910	53 566
Prepayments and deferred costs		5 390	6 100	5 314
Other financial assets	G	254 687	242 203	207 437
Deferred tax assets	A	21 778	45 123	51 108
Other receivables	F,G	373	368	383
<b>CURRENT ASSETS</b>		<b>1 072 936</b>	<b>838 024</b>	<b>1 089 378</b>
Inventories		7 463	8 118	9 886
Trade receivables	F,G	296 920	83 188	164 708
Current income tax receivable		14 780	10 716	-
Other receivables	F	31 725	40 376	54 677
Prepayments and deferred costs		9 522	9 362	6 189
Other financial assets	G	267 106	249 576	279 515
Bank deposits over 3 months	G	263 250	317 125	337 330
Cash and cash equivalents	G	182 170	119 563	237 073
<b>TOTAL ASSETS</b>		<b>2 301 107</b>	<b>2 103 876</b>	<b>2 186 181</b>

\* restated data



	Note	30.09.2023	30.06.2023*	31.12.2022*
<b>EQUITY</b>		<b>2 171 290</b>	<b>2 003 419</b>	<b>1 999 827</b>
Share capital	11,22**	99 911	99 911	100 771
Supplementary capital		1 681 466	1 681 466	1 539 437
Share premium		116 700	116 700	116 700
Treasury shares		-	-	(99 993)
Other reserves		17 451	14 504	3 777
Retained earnings		(30 618)	(3 638)	(1 336)
Net profit (loss) for the period		286 380	94 476	340 471
<b>NON-CURRENT LIABILITIES</b>		<b>38 137</b>	<b>29 968</b>	<b>36 106</b>
Other financial liabilities	G	17 601	18 206	18 883
Other liabilities		2 501	2 500	2 620
Deferred income		2 069	2 753	3 666
Provision for retirement and similar benefits		339	339	339
Other provisions	B	15 627	6 170	10 598
<b>CURRENT LIABILITIES</b>		<b>91 680</b>	<b>70 489</b>	<b>150 248</b>
Other financial liabilities	G	5 848	2 085	1 788
Trade payables	G	23 179	18 945	39 587
Current income tax liabilities		-	-	2 116
Other liabilities		4 774	5 452	4 350
Deferred income		7 052	18 479	15 032
Provision for retirement and similar benefits		7 155	6 908	4 154
Other provisions	B	43 672	18 620	83 221
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 301 107</b>	<b>2 103 876</b>	<b>2 186 181</b>

\* restated data

\*\* Detailed information on changes in items are presented in the relevant notes to the interim condensed consolidated financial statements.

## Interim condensed separate statement of changes in equity

	Share capital	Supplementary capital	Share premium	Treasury shares	Other reserves	Retained earnings	Net profit (loss) for the period	Total equity
<b>01.01.2023 – 30.09.2023</b>								
<b>Equity as at 01.01.2023</b>	<b>100 771</b>	<b>1 539 437</b>	<b>116 700</b>	<b>(99 993)</b>	<b>3 777</b>	<b>341 073</b>	<b>-</b>	<b>2 001 765</b>
Correction of errors	-	-	-	-	-	(1 938)	-	(1 938)
<b>Equity, as adjusted</b>	<b>100 771</b>	<b>1 539 437</b>	<b>116 700</b>	<b>(99 993)</b>	<b>3 777</b>	<b>339 135</b>	<b>-</b>	<b>1 999 827</b>
Costs of the incentive plan	-	-	-	-	13 816	-	-	13 816
Appropriation of the net profit/offset of loss	-	241 162	-	-	-	(241 162)	-	-
Payment of dividend	-	-	-	-	-	(99 911)	-	(99 911)
Redemption of Treasury shares	(860)	(99 133)	-	99 993	-	-	-	-
Retained earnings of the acquired entity	-	-	-	-	-	(28 680)	-	(28 680)
Total comprehensive income	-	-	-	-	(142)	-	286 380	286 238
<b>Equity as at 30.09.2023</b>	<b>99 911</b>	<b>1 681 466</b>	<b>116 700</b>	<b>-</b>	<b>17 451</b>	<b>(30 618)</b>	<b>286 380</b>	<b>2 171 290</b>



	Share capital	Supplementary capital	Share premium	Treasury shares	Other reserves	Retained earnings	Net profit (loss) for the period	Total equity
<b>01.01.2022 – 30.09.2022</b>								
<b>Equity as at 01.01.2022</b>	<b>100 739</b>	<b>1 366 952</b>	<b>115 909</b>	-	<b>49 515</b>	<b>235 934</b>	-	<b>1 869 049</b>
Correction of errors	-	-	-	-	-	(1 336)	-	(1 336)
<b>Equity, as adjusted</b>	<b>100 739</b>	<b>1 366 952</b>	<b>115 909</b>	-	<b>49 515</b>	<b>234 598</b>	-	<b>1 867 713</b>
Costs of the incentive plan	-	-	-	-	3 285	-	-	3 285
Appropriation of the net profit/offset of loss	-	135 195	-	-	-	(135 195)	-	-
Payment of dividend	-	-	-	-	-	(100 739)	-	(100 739)
Total comprehensive income	-	-	-	-	(14 289)	-	208 132	193 843
<b>Equity as at 30.09.2022</b>	<b>100 739</b>	<b>1 502 147</b>	<b>115 909</b>	-	<b>38 511</b>	<b>(1 336)</b>	<b>208 132</b>	<b>1 964 102</b>

## Interim condensed separate statement of cash flows

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
<b>OPERATING ACTIVITIES</b>				
<b>Net profit/(loss)</b>	<b>195 013</b>	<b>97 058</b>	<b>286 380</b>	<b>208 132</b>
<b>Total adjustments:</b>	<b>(126 936)</b>	<b>(20 335)</b>	<b>(96 315)</b>	<b>17 499</b>
Depreciation and amortization of property, plant and equipment, intangible assets, expenditure on development projects and investment properties	2 903	2 650	8 738	8 150
Amortization of development projects recognized as cost of goods sold	93 938	48 327	137 155	84 464
Foreign exchange (gains)/losses	(14 819)	(19 888)	4 024	(24 747)
Interest and shares in profits	(10 247)	(8 663)	(35 465)	(25 629)
(Gains)/losses on investing activities	(14 498)	14 299	(60 459)	18 182
Increase/(Decrease) in provisions	34 833	15 393	(11 696)	(33 443)
(Increase)/Decrease in inventories	655	(60)	2 423	2 732
(Increase)/Decrease in receivables	(215 772)	(87 792)	(135 714)	(14 747)
Increase/(Decrease) in liabilities, excluding loans and borrowings	1 652	11 849	(12 937)	10 526
Change in other assets and liabilities	(11 621)	1 718	(13 166)	(14 863)
Other adjustments	6 040	1 832	20 782	6 874
<b>Cash from operating activities</b>	<b>68 077</b>	<b>76 723</b>	<b>190 065</b>	<b>225 631</b>
Income tax expense	20 280	6 334	33 825	21 030
Withholding tax paid abroad	9 653	6 720	25 612	31 353
Income tax (paid)/refunded	-	-	(21 158)	(34 188)
<b>Net cash from operating activities</b>	<b>98 010</b>	<b>89 777</b>	<b>228 344</b>	<b>243 826</b>

\* restated data



	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>INVESTING ACTIVITIES</b>				
<b>Inflows</b>	<b>144 600</b>	<b>91 538</b>	<b>564 987</b>	<b>553 707</b>
Sale of intangible assets and property, plant and equipment	127	256	149	262
Repayment of loans granted	1 002	-	1 002	13 220
Sale of shares in a subsidiary	-	-	-	76
Expiry of bank deposits over 3 months	124 680	-	454 650	265 000
Redemption of bonds	-	84 853	56 411	257 943
Interest on bonds	1 637	1 147	8 116	3 250
Interest received on deposits	5 684	5 282	22 873	13 679
Inflows from execution of forward contracts	11 470	-	21 743	-
Other inflows from investing activities	-	-	43	277
<b>Outflows</b>	<b>179 409</b>	<b>546 554</b>	<b>746 203</b>	<b>879 370</b>
Acquisition of intangible assets and property, plant and equipment	9 275	10 206	37 559	35 371
Expenditure on development projects	64 681	55 831	226 267	145 542
Expenditure on intangible assets	345	-	724	-
Acquisition of investment properties and capitalization of expenditure	57	-	155	145
Loans granted	-	-	4 215	4 000
Purchase of shares in a subsidiary	-	-	440	-
Contribution to the capital of a subsidiary	-	2 808	3 053	32 720
Purchase of bonds and cost of their purchase	34 246	57 380	93 220	225 500
Placement of bank deposits over 3 months	70 805	410 544	380 570	410 544
Outflows from execution of forward contracts	-	9 785	-	25 548
<b>Net cash from investing activities</b>	<b>(34 809)</b>	<b>(455 016)</b>	<b>(181 216)</b>	<b>(325 663)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows</b>	<b>1</b>	<b>10</b>	<b>31</b>	<b>30</b>
Payment of finance lease liabilities	1	10	30	30
Interest paid	-	-	1	-
<b>Outflows</b>	<b>595</b>	<b>101 367</b>	<b>102 062</b>	<b>103 014</b>
Dividends and other payments to shareholders	-	100 739	99 911	100 739
Payment of lease liabilities	405	499	1 566	1 901
Interest paid	190	129	585	374
<b>Net cash from financing activities</b>	<b>(594)</b>	<b>(101 357)</b>	<b>(102 031)</b>	<b>(102 984)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>62 607</b>	<b>(466 596)</b>	<b>(54 903)</b>	<b>(184 821)</b>
<b>Change in cash and cash equivalents in the balance sheet</b>	<b>62 607</b>	<b>(466 596)</b>	<b>(54 903)</b>	<b>(184 821)</b>
<b>Cash and cash equivalents as at the beginning of the period</b>	<b>119 563</b>	<b>627 570</b>	<b>237 073</b>	<b>345 795</b>
<b>Cash and cash equivalents as at the end of the period</b>	<b>182 170</b>	<b>160 974</b>	<b>182 170</b>	<b>160 974</b>

## Explanations to the condensed separate statement of cash flows

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>The item “Other adjustments” comprises:</b>	<b>6 040</b>	<b>1 832</b>	<b>20 782</b>	<b>6 874</b>
Costs of the incentive plan	3 055	963	12 594	3 112
Amortization and depreciation written off, reported under cost of sales, consortium settlements and other operating expenses	125	-	125	1 046
Amortization and depreciation reported under cost of sales and other operating expenses	494	869	1 994	2 716
Accounting for shares in the acquired entity	32 854	-	35 754	-
Retained earnings of the acquired entity	(26 979)	-	(28 680)	-
Net profit or loss of the acquired entity	(3 109)	-	-	-
Deferred tax asset of the acquired entity	(233)	-	(233)	-
Net amount of property, plant and equipment and intangible assets of the acquired entity	(167)	-	(772)	-

## Assumption of comparability of the financial statements and changes in accounting policies

The accounting policies applied in these interim condensed separate financial statements, material judgments made by the Management Board with regard to the accounting policies applied by the Company and the main sources of estimating uncertainties are consistent, in all material respects, with the policy adopted for preparing the annual financial statements of CD PROJEKT S.A. for 2022, with the exception of changes in the accounting policies and presentation changes described below. These condensed financial statements should be read in conjunction with the financial statements for the year ended 31 December 2022.

### Changes in accounting policies

The changes in accounting policies relating to the Company are the same as those described in the section Assumption of comparability of the financial statements and changes in the accounting policies of the consolidated financial statements for the period from 1 July to 30 September 2023.

### Presentation changes and correction of errors

In these interim condensed separate financial statements for the period from 1 July to 30 September 2023, certain adjustments in selected financial data were made. In order to ensure comparability of the financial data in the reporting period, the data for the period from 1 July to 30 September 2022, from 1 January to 30 September 2022 and as at 31 December 2022 and 30 June 2023 were adjusted. The data are presented after the following corrections:

- In the statement of financial position as at 31 December 2022, provisions for holiday pay were entered. Consequently, the following items changed:
  - Expenditure on development projects – an increase of PLN 1 967 thousand;
  - Deferred income tax assets – an increase of PLN 240 thousand;
  - Retained earnings – a decrease of PLN 1 336 thousand;
  - Net profit (loss) for the period – a decrease of PLN 602 thousand;
  - Provision for retirement and similar benefits – an increase of PLN 4 145 thousand.

The change affected the Net profit or loss and Equity.

- In the statement of financial position as at 30 June 2023, provisions for holiday pay were entered. Consequently, the following items changed:
  - Expenditure on development projects – an increase of PLN 3 524 thousand;
  - Deferred income tax assets – an increase of PLN 386 thousand;
  - Retained earnings – a decrease of PLN 1 937 thousand;
  - Net profit (loss) for the period – a decrease of PLN 1 052 thousand;
  - Provision for retirement and similar benefits – an increase of PLN 6 899 thousand.

The change affected the Net profit or loss and Equity.

- In the statement of cash flows for the period from 1 July to 30 September 2022, provisions for holiday pay were recognized. Consequently, the following items changed:
  - Net profit/(loss) – an increase of PLN 185 thousand;
  - Increase/(Decrease) in provisions – a decrease of PLN 209 thousand;
  - Income tax expense – an increase of PLN 24 thousand.
- In the statement of cash flows for the period from 1 January to 30 September 2022, provisions for holiday pay were recognized. Consequently, the following items changed:
  - Net profit/(loss) – a decrease of PLN 601 thousand;
  - Increase/(Decrease) in provisions – an increase of PLN 683 thousand;
  - Income tax expense – a decrease of PLN 82 thousand.
- In the income statement for the period from 1 July to 30 September 2022, provisions for holiday pay were recognized. Consequently, the following items changed:
  - Administrative expenses – a decrease of PLN 209 thousand;
  - Income tax – an increase of PLN 24 thousand.

The change affected the Net profit or loss and Equity.

- In the income statement for the period from 1 January to 30 September 2022, provisions for holiday pay were recognized. Consequently, the following items changed:
  - Administrative expenses – an increase of PLN 683 thousand;
  - Income tax – a decrease of PLN 82 thousand.

The change affected the Net profit or loss and Equity.

In these interim condensed separate financial statements for the period from 1 July to 30 September 2023, changes were introduced in the presentation of selected financial data. In order to ensure comparability of the financial data in the reporting period, presentation of the data for the period from 1 July to 30 September 2022 and from 1 January to 30 September 2022 was changed. The data are presented after the following adjustment:

- In the income statement for the period from 1 July 2022 to 30 September 2022, the presentation of the provisions for the variable component of the performance-related remuneration of the Management Board Members was changed. Consequently, the following items changed:
  - Selling expenses – a decrease of PLN 9 315 thousand;
  - Administrative expenses – an increase of PLN 9 315 thousand.

The change did not affect the Net profit or loss or Equity.

- In the income statement for the period from 1 January to 30 September 2022, the presentation of the provisions for the variable component of the performance-related remuneration of the Management Board Members was changed. Consequently, the following items changed:
  - Selling expenses – a decrease of PLN 20 023 thousand;
  - Administrative expenses – an increase of PLN 20 023 thousand.

The change did not affect the Net profit or loss or Equity.

## Notes to the separate financial statements of CD PROJEKT S.A.

### A. Deferred tax

#### Deductible temporary differences underlying the deferred tax asset

	31.12.2022*	Differences affecting the deferred tax recognized in the profit or loss	30.09.2023
Provision for other employee benefits	2 353	1 343	3 696
Provision for costs of performance-related and other remuneration	48 719	(17 597)	31 122
Foreign exchange losses	7 118	(351)	6 767
Difference between the carrying amount and tax base of expenditure on development projects	34 848	(14 184)	20 664
Wages & salaries and social security payable in future periods	47	-	47
Other provisions	33 282	8 871	42 153
Tax value of non-current assets leased	20 671	(575)	20 096
Research and development relief	317 927	(65 015)	252 912
Prepayments recognized as revenue for tax purposes	7 523	(3 424)	4 099
<b>Total deductible differences, including:</b>	<b>472 488</b>	<b>(90 932)</b>	<b>381 556</b>
taxed at 5%	72 656	13 580	86 236
taxed at 19%	399 832	(104 512)	295 320
<b>Deferred income tax assets</b>	<b>79 601</b>	<b>(19 178)</b>	<b>60 423</b>

\* restated data

#### Taxable temporary differences underlying the deferred tax provision

	31.12.2022*	Differences affecting the deferred tax recognized in the profit or loss	30.09.2023
Difference between the net carrying amounts and tax bases of property, plant and equipment and intangible assets	16 358	2 720	19 078
Current period revenue invoiced in the subsequent period/accrued income	132 887	156 519	289 406
Foreign exchange gains	8 417	(3 938)	4 479
Difference between the carrying amount and tax base of expenditure on development projects	253 594	134 895	388 489
Book value of non-current assets leased	20 849	(1 060)	19 789
Other	7	(7)	-
<b>Total taxable differences, including:</b>	<b>432 112</b>	<b>289 129</b>	<b>721 241</b>
taxed at 5%	382 910	319 882	702 792
taxed at 19%	49 202	(30 753)	18 449
<b>Deferred tax provisions</b>	<b>28 493</b>	<b>10 152</b>	<b>38 645</b>

\* restated data

The deferred part of the income tax was determined either at the corporate income tax rate of 19% for the tax base corresponding to income from other sources, or at the rate of 5% for the tax base corresponding to income from qualifying intellectual property (the so-called IP BOX). When determining the appropriate tax rate for temporary differences, the Company relied on forecasts of which tax base will give rise to the realization of the temporary differences recognized.

### Net deferred tax assets/provisions

	30.09.2023	30.06.2023*	31.12.2022*
Deferred tax assets	60 423	62 890	79 601
Deferred tax provisions	38 645	17 767	28 493

\* restated data

### Income tax expense recognized in the income statement

	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022*	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022*
Current income tax, including:	6 355	14 775	29 874	47 563
withholding tax paid abroad	9 653	6 720	25 612	31 353
Change in deferred tax	23 578	(1 721)	29 563	4 820
<b>Income tax expense recognized in the income statement</b>	<b>29 933</b>	<b>13 054</b>	<b>59 437</b>	<b>52 383</b>

\* restated data

## B. Other provisions

	30.09.2023	30.06.2023	31.12.2022
<b>Provision for liabilities, including:</b>	<b>47 662</b>	<b>24 790</b>	<b>93 819</b>
provision for costs of the audit and review of the financial statements	71	73	137
provision for costs of performance-related and other remuneration	31 123	9 254	67 121
provision for other costs	16 468	15 463	26 561
<b>Total, including:</b>	<b>47 662</b>	<b>24 790</b>	<b>93 819</b>
current	43 672	18 620	83 221
non-current	3 990	6 170	10 598

### Changes in other provisions

	Provision for costs of performance-related and other remuneration	Other provisions	Total
<b>As at 01.01.2023</b>	<b>67 121</b>	<b>26 698</b>	<b>93 819</b>
Provisions recorded during the year	31 123	70 634	101 757
Provisions utilized/released	67 121	69 156	136 277
<b>As at 30.09.2023, including:</b>	<b>31 123</b>	<b>28 176</b>	<b>59 299</b>
current	31 123	12 549	43 672
non-current	-	15 627	15 627

## C. Goodwill

During the period from 1 July to 30 September 2023, there were no changes in goodwill.



## D. Business combinations

Business combinations of jointly controlled entities are not covered directly in the International Financial Reporting Standards, therefore, when accounting for such transactions, the Company uses a method consistent with the pooling of interests method, which assumes that:

- assets and liabilities of combining entities are measured at the carrying amounts derived from the Company's consolidated financial statements. This means that goodwill previously recognized in the consolidated financial statements and all other intangible assets recognized as part of accounting for the combination are moved to separate financial statements;
- transaction costs relating to the business combination are recognized in the income statement (finance costs);
- mutual balances of receivables/payables are eliminated;
- any difference between the amount paid or transferred and net assets acquired (at amounts derived from the consolidated financial statements) is reflected in the equity of the acquiring company (the amount embedded in equity is not a component of the supplementary capital and, therefore, is not subject to distribution);
- the income statement presents the results of the combined entities from the moment when the combination occurred, while the data for prior periods of the year in which the combination took place are recognized in equity as retained earnings, and the data for the year preceding the business combination are not restated.

During the reporting period, a business combination involving the Group's business entities was registered – on 31 August 2023, the District Court for the Capital City of Warsaw in Warsaw entered the merger-through-acquisition of the Parent Company, as the surviving company, with its subsidiary Spokko sp. z o.o. with its registered office in Warsaw, as the target company, in the Register of Businesses. The merger was carried out in accordance with the merger plan announced on 20 April 2023, i.e. by transferring all of the assets of Spokko sp. z o.o. to the Parent Company, without increasing the share capital of the Parent Company and without exchanging shares of the target company for shares of the Parent Company due to the fact that the Parent Company holds 100% of the shares in the target company. The Parent Company informed of the registration of the merger in its [current report no. 36/2023](#).



## Income statement for the period from 01.01.2023 to 31.08.2023

	CD PROJEKT S.A.	Spokko sp. z o.o.	Merger adjustments	CD PROJEKT S.A. after merger
<b>Sales revenue</b>	<b>292 992</b>	<b>1 528</b>	<b>(1 698)</b>	<b>292 822</b>
Sales of products	285 463	15	-	285 478
Sales of services	470	1 513	(1 698)	285
Sales of goods for resale and materials	7 059	-	-	7 059
<b>Cost of sales of products, services, goods for resale and materials</b>	<b>62 897</b>	<b>1 376</b>	<b>(38)</b>	<b>64 235</b>
Costs of products and services sold	55 505	1 376	(38)	56 843
Cost of goods for resale and materials sold	7 392	-	-	7 392
<b>Gross profit/(loss) on sales</b>	<b>230 095</b>	<b>152</b>	<b>(1 660)</b>	<b>228 587</b>
Selling expenses	86 439	1 449	(250)	87 638
Administrative expenses	69 332	1 493	(1 146)	69 679
Other operating income	38 237	5	(56)	38 186
Other operating expenses	10 117	5	(15)	10 107
(Impairment)/reversal of impairment of financial instruments	4	-	-	4
<b>Operating profit/(loss)</b>	<b>102 448</b>	<b>(2 790)</b>	<b>(305)</b>	<b>99 353</b>
Finance income	121 377	167	-	121 544
Finance costs	38 216	2	-	38 218
<b>Profit/(loss) before tax</b>	<b>185 609</b>	<b>(2 625)</b>	<b>(305)</b>	<b>182 679</b>
Income tax	35 348	245	-	35 593
<b>Net profit/(loss)</b>	<b>150 261</b>	<b>(2 870)</b>	<b>(305)</b>	<b>147 086</b>

## Statement of financial position as at 31 August 2023

	CD PROJEKT S.A.	Spokko sp. z o.o.	Merger adjustments	CD PROJEKT S.A. after merger
<b>NON-CURRENT ASSETS</b>	<b>1 330 857</b>	<b>228</b>	<b>(33 153)</b>	<b>1 297 932</b>
Property, plant and equipment	162 282	201	-	162 483
Intangible assets	70 306	26	-	70 332
Expenditure on development projects	624 898	-	(299)	624 599
Investment properties	37 151	-	-	37 151
Goodwill	49 167	-	-	49 167
Investments in subordinated entities	85 434	-	(32 854)	52 580
Prepayments and deferred costs	2 506	-	-	2 506
Other financial assets	241 863	-	-	241 863
Deferred tax assets	56 869	1	-	56 870
Other receivables	381	-	-	381
<b>CURRENT ASSETS</b>	<b>1 082 679</b>	<b>2 859</b>	<b>(229)</b>	<b>1 085 309</b>
Inventories	7 917	-	-	7 917
Trade receivables	41 041	229	(229)	41 041
Current income tax receivable	8 366	-	-	8 366
Other receivables	45 618	-	-	45 618
Prepayments and deferred costs	13 886	37	-	13 923
Other financial assets	503 902	-	-	503 902
Bank deposits over 3 months	300 940	-	-	300 940
Cash and cash equivalents	161 009	2 593	-	163 602
<b>TOTAL ASSETS</b>	<b>2 413 536</b>	<b>3 087</b>	<b>(33 382)</b>	<b>2 383 241</b>

	CD PROJEKT S.A.	Spokko sp. z o.o.	Merger adjustments	CD PROJEKT S.A. after merger
<b>EQUITY</b>	<b>2 063 869</b>	<b>3 001</b>	<b>(33 153)</b>	<b>2 033 717</b>
<b>Equity of the shareholders of CD PROJEKT S.A.</b>	<b>2 063 869</b>	<b>3 001</b>	<b>(33 153)</b>	<b>2 033 717</b>
Share capital	99 911	54	(54)	99 911
Supplementary capital	1 681 466	32 684	(32 684)	1 681 466
Share premium	116 700	-	-	116 700
Other reserves	17 234	-	-	17 234
Retained earnings	(1 703)	(26 867)	(110)	(28 680)
Net profit (loss) for the period	150 261	(2 870)	(305)	147 086
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>	<b>42 411</b>	<b>19</b>	<b>-</b>	<b>42 430</b>
Other financial liabilities	18 070	11	-	18 081
Other liabilities	2 524	-	-	2 524
Deferred tax provision	14 220	8	-	14 228
Deferred income	1 088	-	-	1 088
Provision for retirement and similar benefits	339	-	-	339
Other provisions	6 170	-	-	6 170
<b>CURRENT LIABILITIES</b>	<b>307 256</b>	<b>67</b>	<b>(229)</b>	<b>307 094</b>
Other financial liabilities	233 538	16	-	233 554
Trade payables	11 527	4	-	11 531
Other liabilities	4 745	32	(45)	4 732
Deferred income	26 827	-	-	26 827
Provision for retirement and similar benefits	9	-	-	9
Other provisions	30 610	15	(184)	30 441
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 413 536</b>	<b>3 087</b>	<b>(33 382)</b>	<b>2 383 241</b>

No other business combinations of the Group entities took place in the reporting period.



## E. Dividend paid (or declared) and received

During the period from 1 July to 30 September 2023, the Group companies did not pay or receive any dividends.

## F. Trade and other receivables

	30.09.2023	30.06.2023	31.12.2022
<b>Trade and other receivables, gross</b>	<b>329 105</b>	<b>124 746</b>	<b>220 586</b>
<b>Write-downs</b>	<b>87</b>	<b>814</b>	<b>818</b>
<b>Trade and other receivables</b>	<b>329 018</b>	<b>123 932</b>	<b>219 768</b>
from related entities	22 593	4 978	5 535
from other entities	306 425	118 954	214 233

### Changes in write-downs of receivables

	Trade receivables	Other receivables	Total
<b>OTHER ENTITIES</b>			
<b>Write-downs as at 01.01.2023</b>	<b>86</b>	<b>732</b>	<b>818</b>
<b>Increases, including:</b>	<b>7</b>	<b>-</b>	<b>7</b>
recognition of write-downs of overdue and disputed receivables	7	-	7
<b>Decreases, including:</b>	<b>6</b>	<b>732</b>	<b>738</b>
reversal of write-downs (write-off)	-	732	732
reversal of write-downs	6	-	6
<b>Write-downs as at 30.09.2023</b>	<b>87</b>	<b>-</b>	<b>87</b>



## Current and overdue trade receivables as at 30.09.2023

	Total	Not overdue	Overdue, in days				
			1 – 60	61 – 90	91 – 180	181 – 360	>360
<b>RELATED ENTITIES</b>							
gross receivables	22 591	22 590	1	-	-	-	-
default ratio		0%	0%	0%	0%	0%	0%
write-down resulting from the ratio	-	-	-	-	-	-	-
write-down determined individually	-	-	-	-	-	-	-
total expected credit losses	-	-	-	-	-	-	-
<b>Net receivables</b>	<b>22 591</b>	<b>22 590</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Total	Not overdue	Overdue, in days				
			1 – 60	61 – 90	91 – 180	181 – 360	>360
<b>OTHER ENTITIES</b>							
gross receivables	274 415	273 801	517	11	-	1	85
default ratio		0%	0%	0%	0%	0%	0%
write-down resulting from the ratio	-	-	-	-	-	-	-
write-down determined individually	86	-	-	-	-	1	85
total expected credit losses	86	-	-	-	-	1	85
<b>Net receivables</b>	<b>274 329</b>	<b>273 801</b>	<b>517</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Total</b>							
gross receivables	297 006	296 391	518	11	-	1	85
impairment write-downs	86	-	-	-	-	1	85
<b>Net receivables</b>	<b>296 920</b>	<b>296 391</b>	<b>518</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Other receivables

	30.09.2023	30.06.2023	31.12.2022
<b>Other gross receivables, including:</b>	<b>32 098</b>	<b>41 476</b>	<b>55 792</b>
tax receivables, other than corporate income tax	22 773	24 451	41 766
prepayments for inventories	8 138	14 041	6 826
prepayments for development projects	633	1 718	1 433
security deposits	422	432	687
prepayments for investment properties	54	-	-
prepayments for property, plant and equipment and intangible assets	30	30	135
settlements with employees	28	40	-
settlements with members of the Management Boards	2	-	2
settlements with suppliers of property, plant and equipment items	-	-	4 160
settlements with payment operators	-	-	7
other	18	764	776
<b>Write-downs</b>	<b>-</b>	<b>732</b>	<b>732</b>
<b>Other receivables, including:</b>	<b>32 098</b>	<b>40 744</b>	<b>55 060</b>
current	31 725	40 376	54 677
non-current	373	368	383

## G. Information on financial instruments

### Fair values and hierarchy of specific classes of financial instruments

The Management Board of the Company has analysed specific classes of financial instruments. Based on the analysis, it was concluded that the carrying amounts of the instruments do not differ materially from their fair values as at both 30 September 2023, 30 June 2023 and 31 December 2022.

	30.09.2023	30.06.2023	31.12.2022
<b>LEVEL 1</b>			
<b>Assets measured at fair value</b>			
<b>Assets measured at fair value through other comprehensive income</b>	<b>234 677</b>	<b>220 483</b>	<b>243 091</b>
bonds issued by foreign governments - EUR	16 327	15 609	25 111
bonds issued by foreign governments - USD	218 350	204 874	217 980
<b>LEVEL 2</b>			
<b>Assets measured at fair value through profit or loss</b>			
<b>Derivatives</b>	<b>-</b>	<b>20 534</b>	<b>7 809</b>
currency forwards - EUR	-	973	1 249
currency forwards - USD	-	19 561	6 560
<b>Private equity interests in the gaming sector</b>	<b>2 414</b>	<b>2 260</b>	<b>2 556</b>
private equity interests in the gaming sector - SEK	985	919	1 085
Private equity interests in the gaming sector - USD	1 429	1 341	1 471
<b>Liabilities measured at fair value through profit or loss</b>			
<b>Derivatives</b>	<b>3 632</b>	<b>-</b>	<b>-</b>
currency forwards - EUR	192	-	-
currency forwards - USD	3 440	-	-

Financial instruments measured at fair value are classified according to a three-level fair value hierarchy:

Level 1 - quoted prices in active markets for identical assets or liabilities.

Level 2 - fair value based on observable market data.

Level 3 - fair value based on market data that is not observable in the market.

### Financial assets – classification and measurement

	30.09.2023	30.06.2023	31.12.2022
<b>Financial assets measured at amortized cost</b>	<b>1 027 442</b>	<b>768 746</b>	<b>972 990</b>
Other non-current receivables	373	368	383
Trade receivables	296 920	83 188	164 708
Cash and cash equivalents	182 170	119 563	237 073
Bank deposits over 3 months	263 250	317 125	337 330
Treasury bonds and bonds guaranteed by the State Treasury	280 493	243 713	232 757
Loans granted	4 236	4 789	739
<b>Financial assets measured at cost</b>	<b>52 698</b>	<b>57 910</b>	<b>53 566</b>
Investments in subordinated entities	52 698	57 910	53 566
<b>Assets measured at fair value through other comprehensive income</b>	<b>234 677</b>	<b>220 483</b>	<b>243 091</b>
Bonds issued by foreign governments	234 677	220 483	243 091
<b>Financial assets measured at fair value through profit or loss</b>	<b>2 387</b>	<b>22 794</b>	<b>10 365</b>
Derivative financial instruments	-	20 534	7 809
Private equity interests in the gaming sector	2 387	2 260	2 556
<b>Total financial assets</b>	<b>1 317 204</b>	<b>1 069 933</b>	<b>1 280 012</b>

### Financial liabilities – classification and measurement

	30.09.2023	30.06.2023	31.12.2022
<b>Financial liabilities measured at amortized cost</b>	<b>42 996</b>	<b>39 236</b>	<b>60 258</b>
Trade payables	23 179	18 945	39 587
Other financial liabilities	19 817	20 291	20 671
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>3 632</b>	<b>-</b>	<b>-</b>
Derivative financial instruments	3 632	-	-
<b>Total financial liabilities</b>	<b>46 628</b>	<b>39 236</b>	<b>60 258</b>

In accordance with the requirements of *IFRS 9 Financial Instruments*, the Company has analysed the business model for managing financial assets and examined the characteristics of contractual cash flows for each component of the bond portfolio, and concluded that:

- the purpose of investments in domestic and foreign Treasury bonds and domestic bonds guaranteed by the Polish State Treasury is to hold them to maturity and to collect contractual cash flows;
- investment mandates for managing the foreign bonds portfolio allow bonds to be sold before maturity as part of the adopted strategy;
- all bonds purchased meet the SPPI test.

As a result of the analysis conducted, purchased bonds were classified into two financial asset management models which differ in terms of the entity managing the bond portfolio. Polish Treasury bonds and bonds guaranteed by the Polish State Treasury are measured at amortized cost, because they are held to collect contractual cash flows. Foreign Treasury bonds are measured at fair value through other comprehensive income, because of the investment mandate which offers the possibility of the portfolio being managed by an Asset Manager.



In accordance with the requirements of *IFRS 13 Fair Value Measurement*, the Company has analysed the valuation of the financial instruments measured at amortized cost in the separate statement of financial position in order to determine their fair values and their classification in the fair value hierarchy.

Listed debt securities were classified to Level 1. They include State Treasury bonds and bonds guaranteed by the State Treasury whose fair value was determined on the basis of a market valuation provided by the brokerage office as part of the applicable agreement for the provision of brokerage services.

	30.09.2023	30.06.2023	31.12.2022
<b>LEVEL 1</b>			
<b>Fair value of assets measured at amortized cost</b>	<b>278 985</b>	<b>236 096</b>	<b>219 713</b>
Treasury bonds and bonds guaranteed by the State Treasury	278 985	236 096	219 713

Other items of financial assets and financial liabilities measured at amortized cost were classified to Level 3.

With regard to equity interests in other entities, the Company estimates the fair values of the shares held using the method which consists of forecasting future cash flows generated by the relevant cash generating unit and requires determining a discount rate to be used to calculate the present value of these cash flows. In justified cases, the Company assumes a historical cost as an acceptable approximation of the fair value.

The Company did not determine the fair values of receivables, trade payables, cash and cash equivalents, bank deposits over 3 months and loans granted with variable interest rates, because their carrying amounts are considered by the Company to be a reasonable approximation of their fair values.

There were no movements between the levels in the fair value hierarchy in the reporting period or in the comparative period.



## H. Transactions with related entities

	Sales to related entities				Purchases from related entities			
	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022	01.07.2023 – 30.09.2023	01.07.2022 – 30.09.2022	01.01.2023 – 30.09.2023	01.01.2022 – 30.09.2022
<b>SUBSIDIARIES</b>								
GOG sp. z o.o.	23 313	3 692	27 330	10 148	386	731	764	2 234
CD PROJEKT RED Inc.	14	100	201	271	6 560	3 538	14 449	11 762
Spokko sp. z o.o.	-	324	-	1 061	-	-	-	-
CD PROJEKT RED STORE sp. z o.o.	-	268	-	1 003	-	43	-	113
CD PROJEKT RED Vancouver Studio Ltd.	6	4	29	33	3 251	4 342	13 355	12 124
The Molasses Flood LLC	1	2	2	2	9 488	9 737	35 178	20 048
<b>MANAGEMENT BOARD OF THE COMPANY AND SUPERVISORY BOARD MEMBERS</b>								
Marcin Iwiński	-	-	-	1	-	-	-	-
Adam Kiciński	1	-	1	-	-	-	-	-
Piotr Nielubowicz	-	-	-	1	-	-	-	-
Michał Nowakowski	-	2	-	3	-	-	-	-
Adam Badowski	1	1	1	6	-	-	-	-
Paweł Zawodny	-	-	6	7	-	-	-	-
Jeremiah Cohn	-	-	-	1	-	-	-	-
Maciej Nielubowicz	1	-	1	-	-	-	-	-

	Receivables from related entities			Liabilities to related entities		
	30.09.2023	30.06.2023	31.12.2022	30.09.2023	30.06.2023	31.12.2022
<b>SUBSIDIARIES</b>						
GOG sp. z o.o.	20 326	4 394	2 798	88	4	2 610
CD PROJEKT RED Inc.	14	2 909	43	1 230	1 249	1 185
Spokko sp. z o.o.	-	2	156	-	246	-
CD PROJEKT RED STORE sp. z o.o.	-	-	839	-	-	19
CD PROJEKT RED Vancouver Studio Ltd.	2 250	563	1 694	1 725	1 730	2 746
The Molasses Flood LLC	4 237	4 789	742	2 496	2 855	2 579
<b>MANAGEMENT BOARD OF THE COMPANY AND SUPERVISORY BOARD MEMBERS</b>						
Marcin Iwiński	-	-	-	-	-	7
Adam Kiciński	-	-	-	-	-	13
Piotr Nielubowicz	-	-	2	-	-	13
Michał Nowakowski	2	-	-	-	-	4
Adam Badowski	-	-	-	3	1	6
Piotr Karwowski	-	-	-	-	-	2

# Statement by the Management Board of the Parent Company

## On the fairness of preparation of the interim condensed consolidated financial statements

In accordance with the requirements of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information submitted by issuers of securities and conditions for considering as equivalent the information required under the legislation of a non-Member State, the Management Board of the Parent Company declares that, to the best of its knowledge, these interim condensed consolidated financial statements and comparative data have been prepared in accordance with the accounting policies applicable in the CD PROJEKT Group and that they reflect in a true, fair and clear manner the Group's financial position and its results of operations.

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union, published and effective as at 1 January 2023, and to the extent not governed by the said standards, in accordance with the Accounting Act of 29 September 1994 and the implementing legislation issued on the basis thereof and to the extent required by the Regulation of the Minister of Finance of 19 February 2009 on current and periodical information submitted by issuers of securities and conditions for considering as equivalent the information required under the legislation of a non-Member State.

## On the entity authorized to review the fairness of preparation of the interim condensed consolidated financial statements

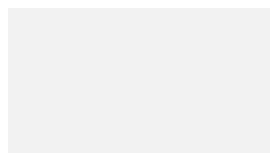
On 9 March 2022, the Supervisory Board of the Parent Company selected Grant Thornton Polska Prosta spółka akcyjna with its registered office in Poznań, as recommended by the Audit Committee, as auditor to carry out the review of the semi-annual financial statements and the audit of the annual financial statements of the Company and its Group for 2022 and 2023. Grant Thornton Polska Prosta spółka akcyjna has been entered on the list of entities authorized to audit financial statements by the National Chamber of Statutory Auditors, with the reference number 4055.



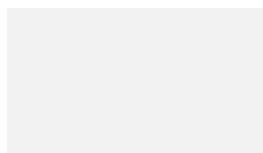
## Approval of the financial statements

This report for the period from 1 July to 30 September 2023 was signed and approved for publication by the Management Board of CD PROJEKT S.A. on 28 November 2023.

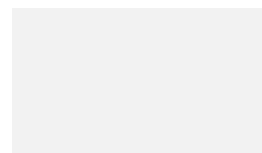
Warsaw, 28 November 2023



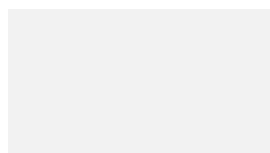
Adam Kiciński  
Member of the Board



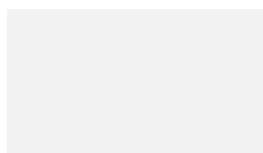
Piotr Nielubowicz  
Member of the Board



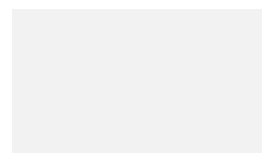
Adam Badowski  
Member of the Board



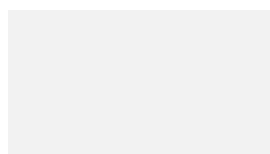
Michał Nowakowski  
Member of the Board



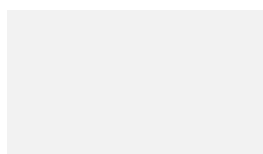
Piotr Karwowski  
Member of the Board



Paweł Zawodny  
Member of the Board



Jeremiah Cohn  
Member of the Board



Krystyna Cybulska  
Chief Accountant



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