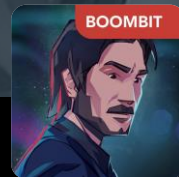
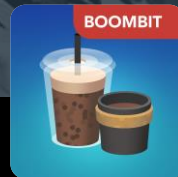


# BOOMBIT

## Q1 2019 RESULTS SUMMARY

May 2019



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# Global Data Driven Gaming Business.

#1

Global Team  
with Proven Track Record

#2

Data Driven Business Model

#3

2019 – 20 Extensive Pipeline



60+

Games Featured  
on the AppStores

200+

Developers

# Flexible Business Model – Diversified Sourcing.

## IN HOUSE & JV DEVELOPMENT

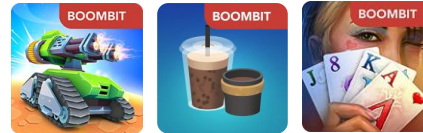
- Successful franchises
- Many Reusable Engines within “CORE” Framework
- Low development costs
- Internal Contests for Developers > Rev Share / Publishing agreements with developers
- MoonDrip JV: Strategic Partnership with Stefan Wang ex Head of Cheetah Mobile – China Publishing

## 3<sup>RD</sup> PARTY PUBLISHING

- Data Driven Approach
- Focus on Late Stage games with Promising KPI's
- Support & Value Added from BoomBit's Experience

## SUPERSCALE

- Low Risk source of games with proven KPI's
- Solid Track Record in Running & Scaling GaaS
- International Team of Experts



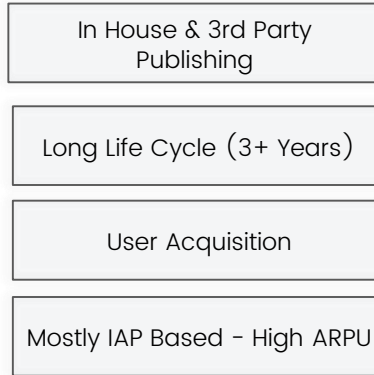
# Business Model Evolution – Road To 10x Growth.

## ▶ Organic Driven (GaaS) – Old      ▶ Data Driven (GaaS) – Current



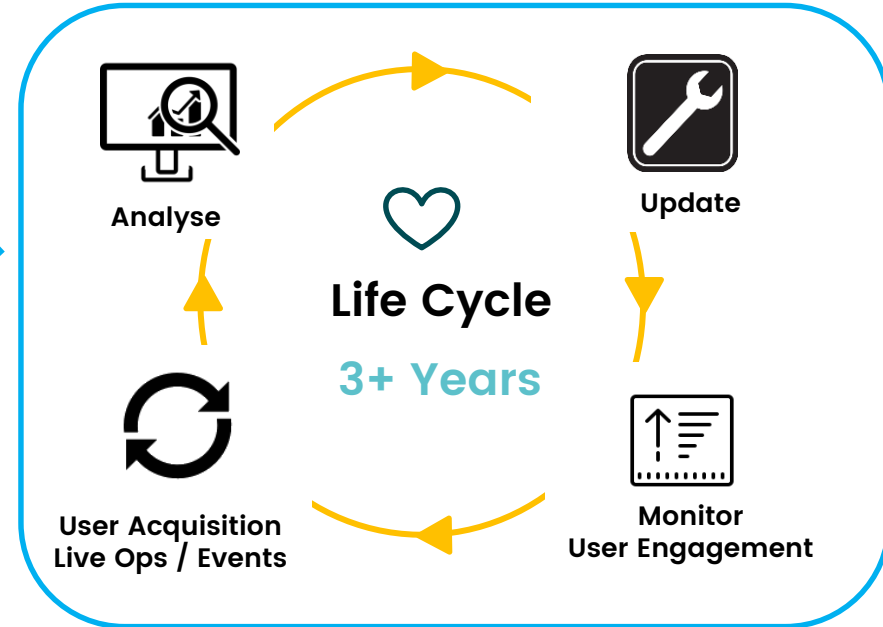
 **1-3 Months**  
Development

 **~\$0.07+**  
ARPU



 **6-12 Months**  
Development

 **\$0.50+**  
ARPU



# Q1 2019 Highlights.

## Switch to GaaS Model Complete in Q1

with 3 profitable GaaS titles live: Tanks A Lot, Darts Club, Tiny Gladiators 2

GaaS contributed to approx. **70%** of Total Revenue in Q1 2019

**7+** NEW GaaS titles to be released in 2019

Total value of the offer: **PLN 35 million**

**PLN 7.9 million** in revenues from platforms in Q1 (increased by 212% vs Q1 2018)

**1.5 million MAU** in GaaS Games in Q1 2019

**Debut** on the Warsaw Stock Exchange on May 14th, 2019



# Key Consolidated Financial Data.

PLN k	Q1 2018	Q1 2019
<b>Revenue</b>	16,256	8,207
COGS	4,336	6,910
<b>Gross result</b>	11,920	1,297
G&A Costs*	1,287	1,985
<b>EBIT</b>	10,633	-688
<b>Net result</b>	8,746	-456
One-off costs related to IPO process and Group structuring	355	200
<b>CAPEX</b>	2,059	5,364

- One off transaction in Q1 2018 - sale of Dancing Line and Dancing Ball to Cheetah for PLN 13.1m
- Higher revenues from ads and IAP in Q1 2019 vs Q1 2018 by PLN 5.3m thanks to GaaS games
- Stable revenues from other game genres (incl. driving, bridge) at PLN 2.5m per quarter

- Cost base higher in Q1 2019, due to::
- Group structuring (entities acquired in 2018)
  - Higher business development costs
  - Increased employment costs
  - Higher accounting and audit costs

- Higher CAPEX due to increased development capacity - expanding and diversifying game portfolio

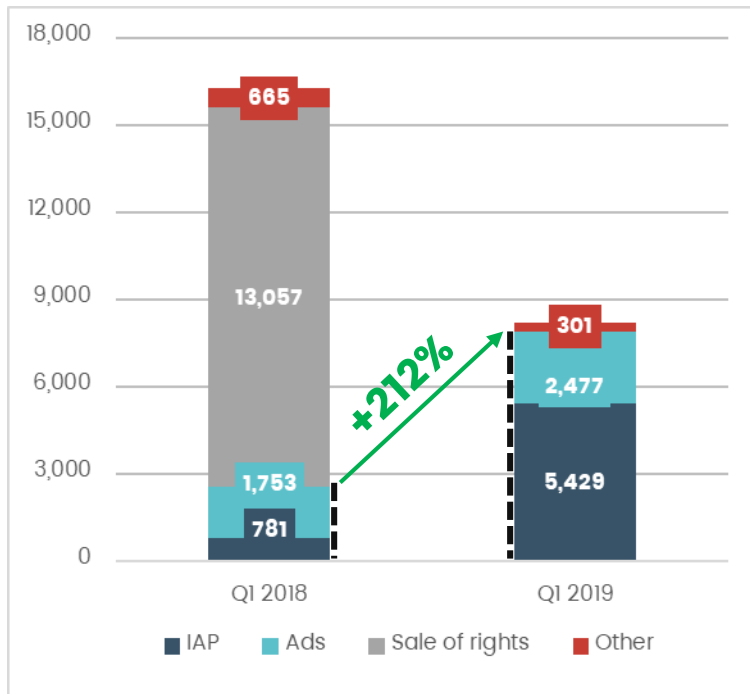
- COGS increase driven mainly by UA, platform fees and revshare costs

- No new big releases in Q1 2019
- GaaS games not scaled up yet to their full potential due to delay in IPO process
- Part of UA expenses in Q1 2019 not covered by revenues yet, due to break even period of approx. 60-90 days

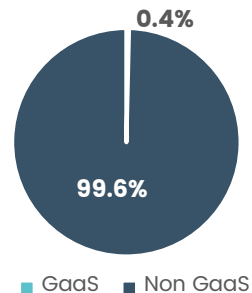
\* including other operating income and costs

# Q1 2019 Revenues.

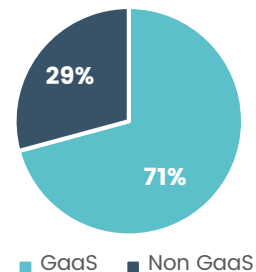
Q1 2018 and Q1 2019 revenues (PLN k)



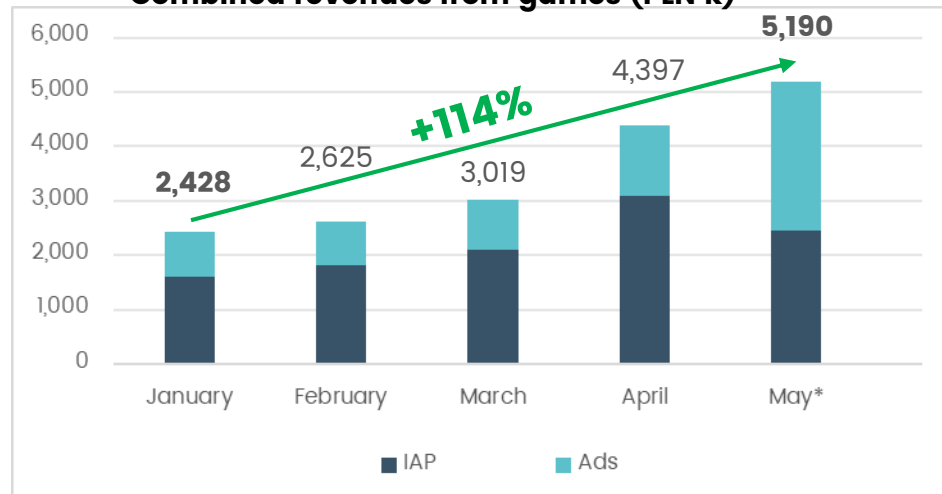
Q1 2018 revenues



Q1 2019 revenues



Combined revenues from games (PLN k)\*\*



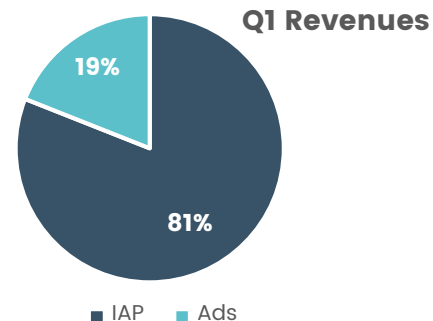
**BOOMBIT**

\* Estimates

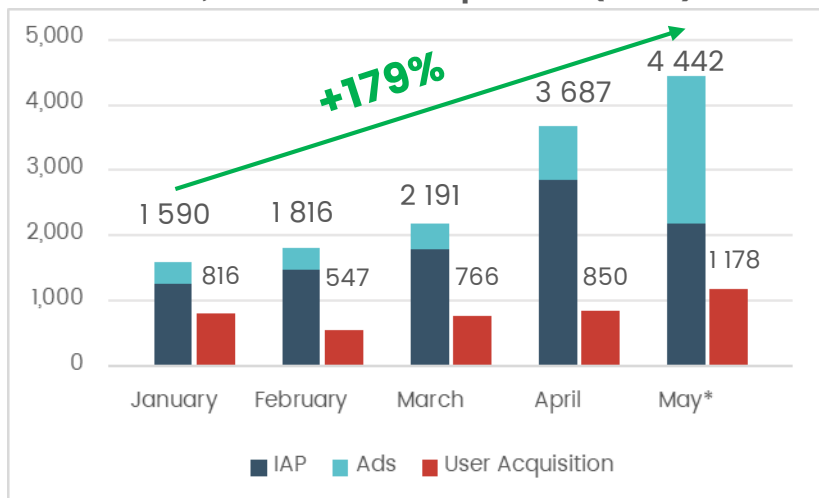
\*\* Figures presented in the chart include revenues from soft launch, which according to Groups' accounting policy are capitalised as development costs



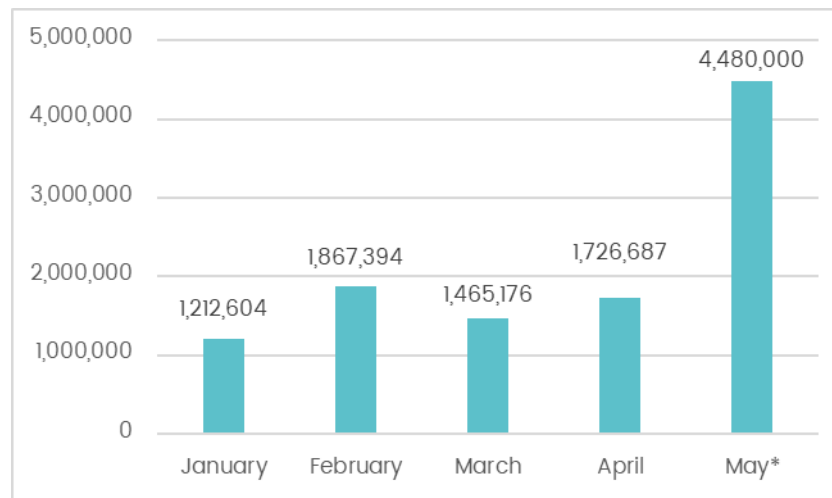
# Our GaaS Games - Revenues.



### Ad, IAP and User Acquisition (PLN k)



### MAU



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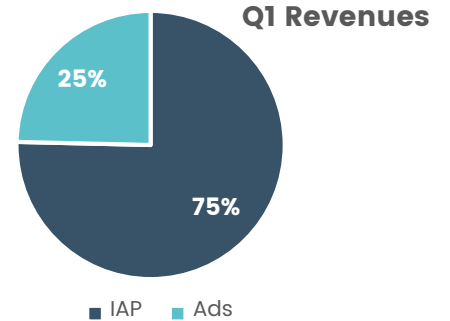
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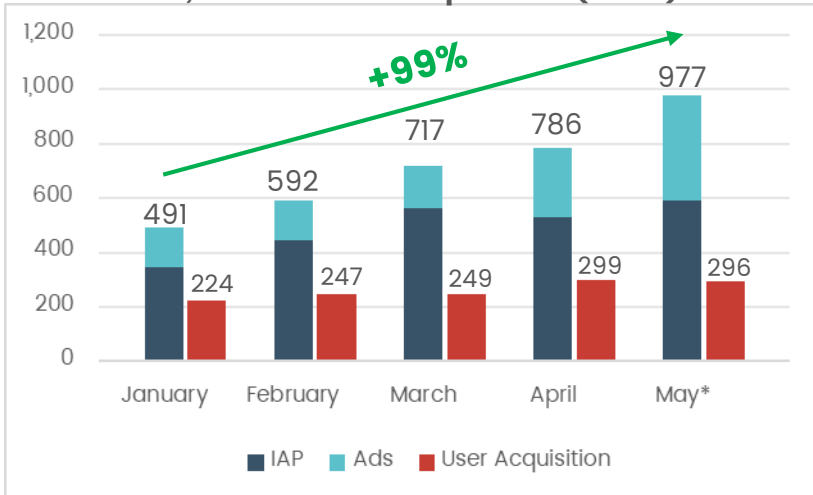
# Our GaaS Games – Darts Club.



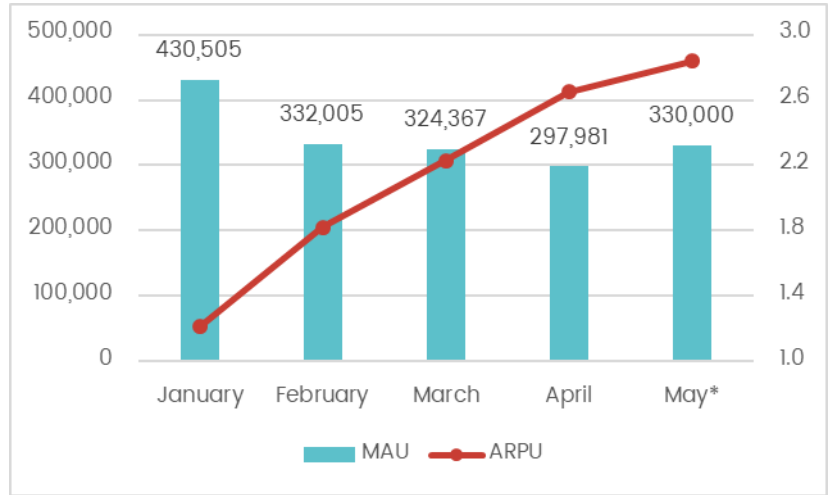
- ARPU increase (135% in January-May) associated with regular game updates and effective Live Ops campaigns that improve the level of monetization
- The game revenues have doubled despite almost the same level of UA spending



**Ad, IAP and User Acquisition (PLN k)**



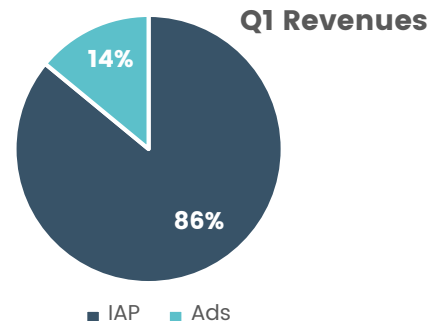
**MAU and ARPU**



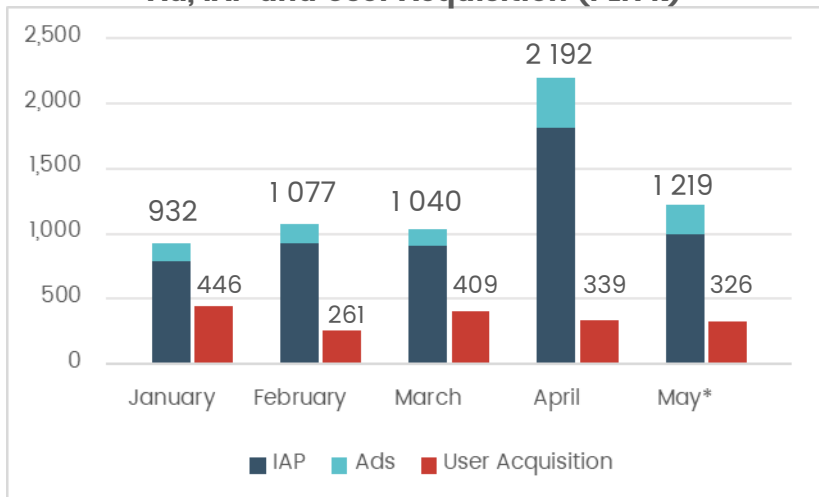
# Our GaaS Games – Tanks A Lot!



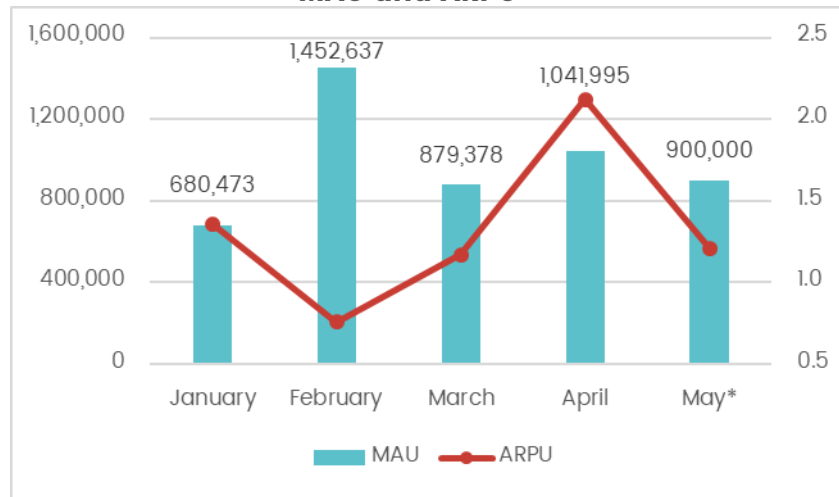
- MAU increase and ARPU decrease in February associated with Google Play feature in low monetization countries (such as Russia, India, Brazil, Turkey)
- Game of the Day at the Apple App Store in China in April (increase in revenues by 111% mom)



**Ad, IAP and User Acquisition (PLN k)**



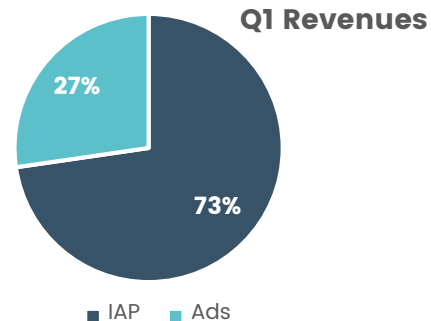
**MAU and ARPU**



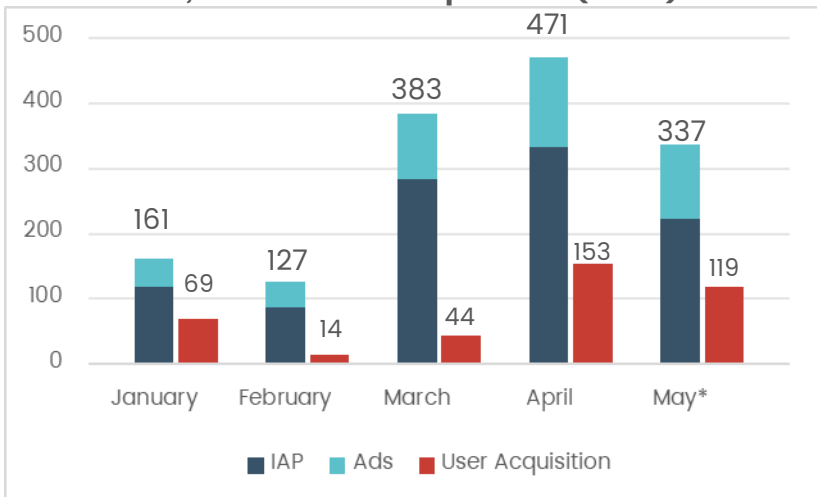
# Our GaaS Games – Tiny Gladiators 2.



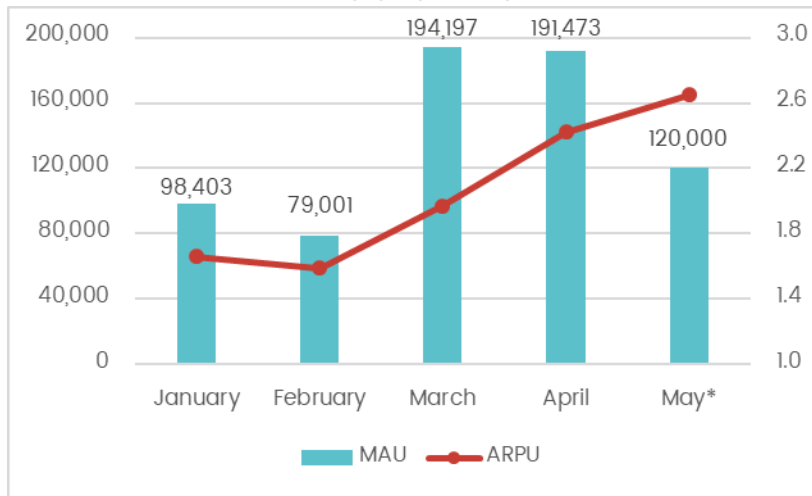
- Lower conversion parameter in May associated with the Google store algorithm, which reduced the number of organic users
- Currently, optimization activities are being carried out (App Store Optimization) in order to return to efficiency from March and April



**Ad, IAP and User Acquisition (PLN k)**



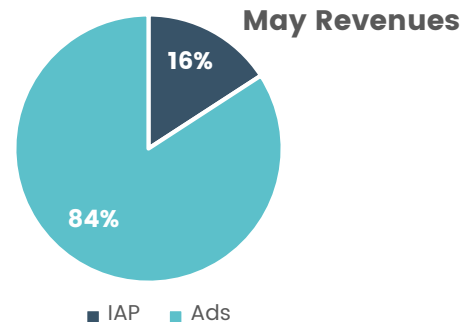
**MAU and ARPU**



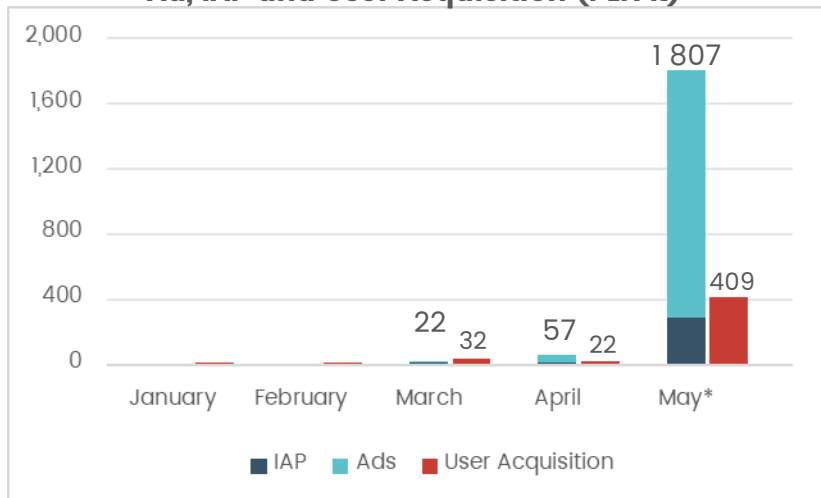
# Our GaaS Games – Coffee Corp.



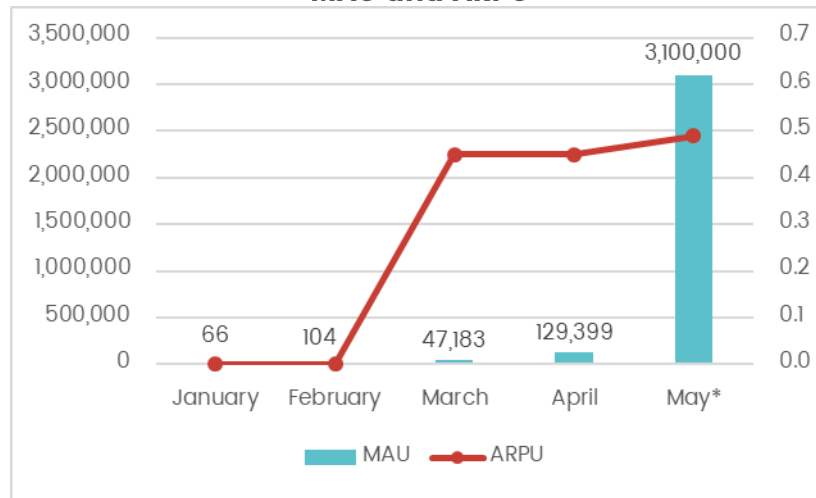
- Hard launch – May 8, featuring in Google and Apple stores
- At the moment, 84% of revenues comes from advertising, we are currently working on improving the IAP parameter



### Ad, IAP and User Acquisition (PLN k)\*\*



### MAU and ARPU



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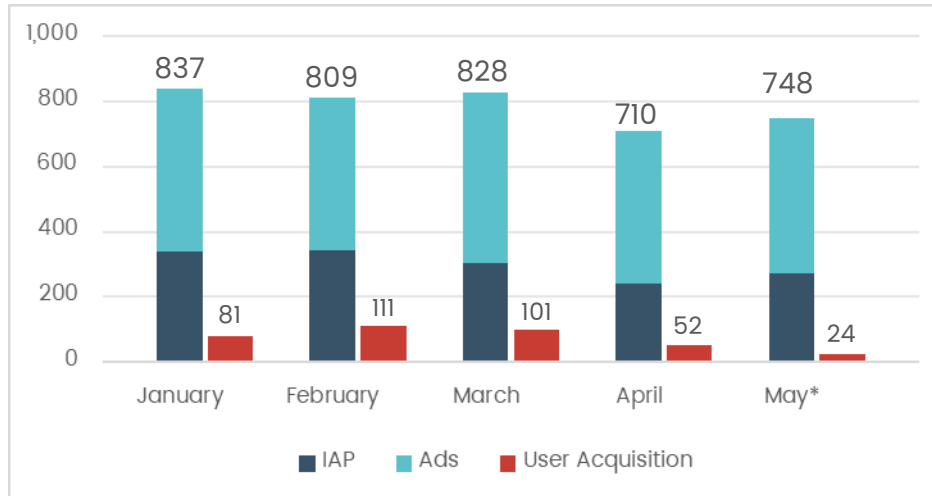
\* Estimates

\*\* Figures presented in the chart include revenues from soft launch, which according to Groups' accounting policy are capitalised as development costs

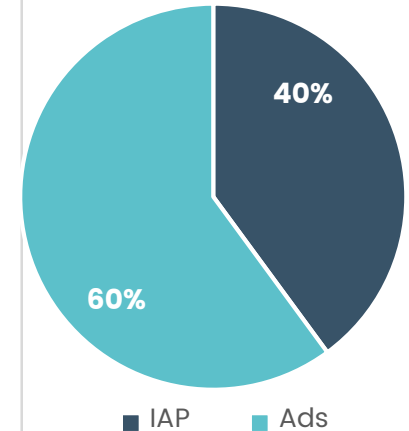
# Our Non GaaS Games – Revenues.



Ad, IAP and User Acquisition (PLN k)\*\*



Q1 Revenues



- Stable monthly revenues of approx. PLN 700k-800k
- Ads are the main source of revenues
- UA/Revenue ratio at 11,8% in Q1 2019 and 9,4% in 1-5M 2019

# Costs.

Costs by nature (PLN k)	Q1 2018	Q1 2019
Amortization & Depreciation	1,686	841
Consumption of materials and energy	88	124
External services including:	2,882	11,072
<i>User Acquisition</i>	30	2,188
<i>Platform fees</i>	479	1,651
<i>Revshare</i>	156	765
Taxes and fees	14	31
Employee benefit expenses	1,656	2,295
Other costs by nature	109	121
<b>TOTAL</b>	<b>6,435</b>	<b>14,484</b>

- Change in amortization method
- In Q1 2018 there was a one-off amortization of Dancing Ball

- UA for Q1 2019 already approx. equal to UA spendings in FY 2018
- 86% of UA spending goes on GaaS games

- Revshare from GaaS games published in H2 2018

- Increase in head count,
- Transformation into joint stock company
- Accounting of share based payments

- Increase of costs related to GaaS games development
- Higher UA, revshare and platform fees
- Increase of development capacity
- Monetization costs
- Business development
- Accounting and audit costs

- Higher revenues from platforms
- IAP/ads split in Q1 2019 70/30 vs 30/70 in Q1 2018

37.0% of costs consolidated in Q1 2019 vs 32.0% in Q1 2018

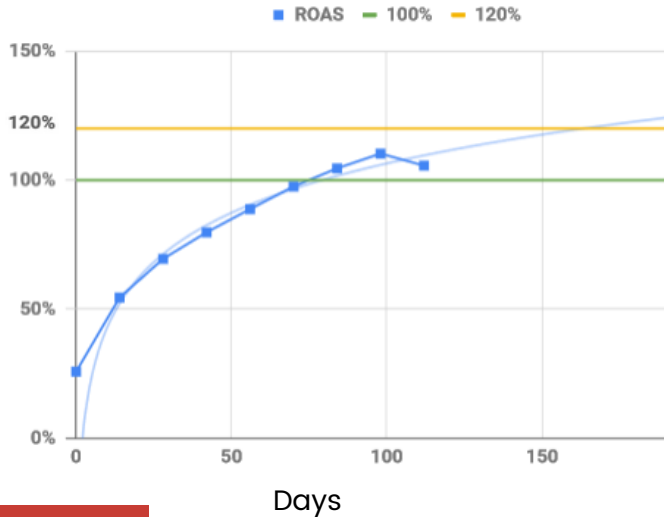
# Our GaaS Games – Net ROAS.



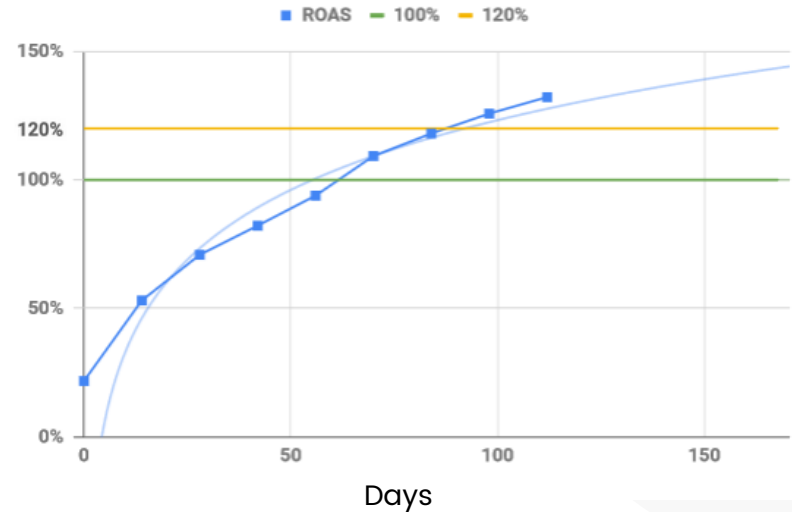
- Total User Acquisition costs: USD +1.2m
- User Acquisition / Revenue ratio: 28%
- ROAS break-even approx. Day 60



## Tanks A Lot! – Net ROAS curve



## Darts Club – Net ROAS curve





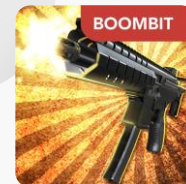
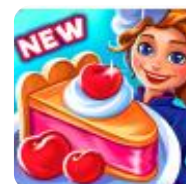
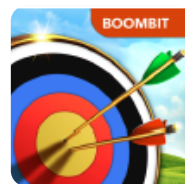
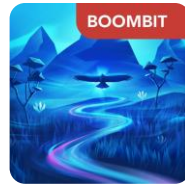
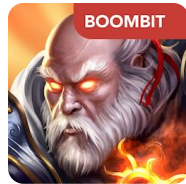
# GaaS Pipeline.

- **7** new GaaS titles confirmed to be released by the end of 2019
- **4** other In-House GaaS titles in final stages of development
- **5** 3rd Party Publishing games in various stages of negotiation

**Released**

**Soft Launch**

**Development**



**Q2 '19**

**Q3 '19**

**Q4 '19**

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# User Acquisition in GaaS Games – Performance-oriented Approach.

Very different approach compared to traditional marketing campaign mixes.

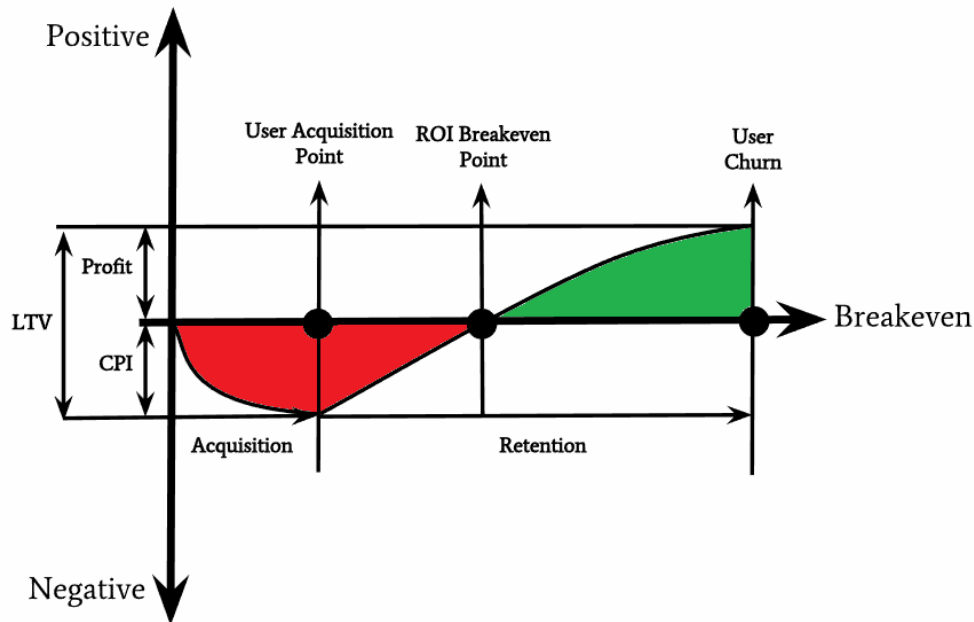
We spend marketing budget **ONLY** if we know it will be profitable.

Worst case scenario – we do not spend at all.

Paid User Acquisition ROI Model

X axis = Time

Y axis = ROI



# User Acquisition in GaaS Games – Performance-oriented Approach.

- ▶ **Hundreds of micro-campaigns (\$100 / day) instead of one big-push**
  - Effective stop-loss strategy prevents unprofitable spend
  - Increase spend **ONLY** on profitable campaigns ensures always profitable spend
- ▶ **Conservative breakeven goal and budget spend**
  - Starting with short break-even goals with low spend, increasing spend and break-even period **ONLY** after proven ROI
- ▶ **True ROI Big Data Pipeline**
  - Transparency of performance on invested capital

# SuperScale - Growth Partnerships Business Model.

We deliver **profitable growth**.

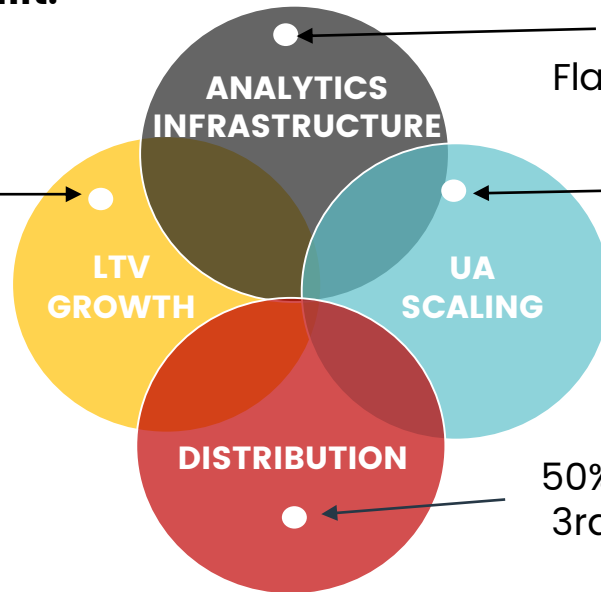


**FROGMIND**



**We take 20-50% from the Uplift.**

**Live Ops Optimization**  
20-50% Share of Uplift



**SaaS**

Flat Monthly Fee

**UA**

20-50% Share  
of Profitable UA Uplift

**Distribution**

50% Rev Share From Publishing on  
3rd Party App Stores in Emerging  
Markets

# SuperScale - Growth Partnerships Update.

Q1 2019



Q2 2019

- ✓ Upgraded Business Model from SaaS to SaaS + Profit Share with Existing Clients
- ✓ Signed Analytics / Live Ops UA Deal with FingerSoft
- ✓ Negotiated Analytics / UA deal with Frogmind's Game "Rumble Stars"
- ✓ Negotiated Analytics & UA deal with Traplight's Game "Battle Legion"
- ✓ Profitably scaled & funded UA of Transit King to 6 figure spent in Q1, continuing in Q2

- ✓ Signed Analytics / UA Deal with Frogmind's Game "Rumble Stars"
  - Top 100 Grossing in 63 countries
- ✓ Signed Analytics / UA Deal with Traplight's Game "Battle Legion"
- ✓ New Growth Partnership Deals Signed:
  - "About a Hero" - BeeSquare Games
  - Upcoming Game - Ragequit Games
  - "Bullet League" - Funday Factory
  - "Project Blue Book" - Three Gates
  - Upcoming Game - Action Reaction
  - Upcoming Game - Tater Games

# MoonDrip – Upcoming Titles.

1 DANCING DREAMER

2 DRIVING SCHOOL

3 MUSIC CITY BUILDER

4 RACING GAME

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# Key Takeaways – Q2 & H2 2019 Outlook.

- **7+ NEW GAAS GAMES TO BE RELEASED**
- **INCREASE OF UA INVESTMENTS THANKS TO CASH RAISED FROM SHARE ISSUE**

## SUPERSCALE

- **SCALING EXISTING PORTFOLIO**
- **SIGNING NEW TOP GROSSING TITLES**

## CHINA

- **STARTING UA CAMPAIGNS WITH LOCAL PARTNERS**

- **SUPPORTING OF NON GAAS GAMES PRODUCTION THAT GUARANTEES REPEATABLE REVENUES**



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18

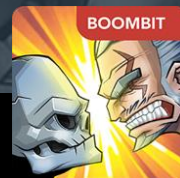
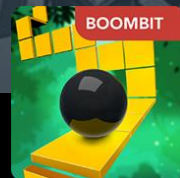
# THANK YOU FOR YOUR ATTENTION!

## Contact

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+48 575 896 041

[boombit@innervalue.pl](mailto:boombit@innervalue.pl)





# P&L Statement.

(PLN k)	Q1 2018	Q1 2019
Revenues	16,256	8,207
COGS	(4,336)	(6,910)
<b>Gross result</b>	<b>11,920</b>	<b>1,297</b>
G&A Costs	(1,041)	(2,210)
Other operating revenues	-	231
Other operating costs	(246)	(6)
<b>EBIT</b>	<b>10,633</b>	<b>(688)</b>
Financial costs	-	(110)
Share in net profits (losses) in joint ventures	-	217
<b>Income before tax</b>	<b>10,633</b>	<b>(581)</b>
Income tax	(1,887)	125
<b>Net result</b>	<b>8,746</b>	<b>(456)</b>

# Balance Sheet.

(PLN k)	31/12/2018	31/03/2019
<b>Fixed assets</b>		
Property, plant and equipment	1,520	1,475
Development expenses	22,488	26,876
Goodwill	13,833	14,437
Investments in joint ventures	6	284
Other financial assets	205	248
Deferred income tax assets	931	1,109
Other receivables and accruals	1,070	930
	<b>40,053</b>	<b>45,359</b>
<b>Current assets</b>		
Accounts receivable	3,541	5,481
Income tax receivable	910	1,254
Other receivables and accruals	2,180	2,473
Receivables from finance leases	-	-
Other financial assets	474	824
Cash and cash equivalents	2,594	1,348
	<b>9,699</b>	<b>11,380</b>
<b>Assets for sale</b>	-	-
<b>TOTAL ASSETS</b>	<b>49,752</b>	<b>56,739</b>

(PLN k)	31/12/2018	31/03/2019
<b>SHAREHOLDER'S EQUITY</b>		
<b>Equity attributable to the shareholders of the parent company</b>		
Equity capital	6,000	6,000
Capital from the sale of shares above the nominal price	9,205	9,205
Foreign exchange differences on the translation of a foreign entity	619	1,030
Other capitals	1,674	1,674
Retained earnings	8,888	17,283
Financial result of the current period	8,395	(545)
	<b>34,781</b>	<b>34,647</b>
<b>Capital attributable to non-controlling interests</b>	<b>(21)</b>	<b>68</b>
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>34,760</b>	<b>34,715</b>
<b>LIABILITIES</b>		
<b>Longterm liabilities</b>		
Deferred income tax liabilities	3,338	3,352
	<b>3,338</b>	<b>3,352</b>
<b>Current liabilities</b>		
Other financial liabilities	1,549	5,423
Trade liabilities	5,119	8,245
Income tax liabilities	204	230
Other liabilities	4,782	4,774
	<b>11,654</b>	<b>18,672</b>
<b>TOTAL LIABILITIES</b>	<b>14,992</b>	<b>22,024</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>49,752</b>	<b>56,739</b>

# Cash Flow Statement.

(PLN k)	Q1 2018	Q1 2019
<b>Result before tax</b>	10,633	(581)
<b>Adjustments:</b>	(4,844)	1,674
Share in profits (losses) in joint ventures	-	(217)
Amortization & Depreciation	1,686	841
Foreign exchange profits (losses)	127	306
Interest and share in profits (dividends)	-	71
Change in receivables	13,287	(2,093)
Change in liabilities, excluding loans and credits	(17,904)	3,118
Change in other assets	-	-
Other adjustments from operating activities	-	-
Income tax	(2,040)	(352)
<b>Net cash flow from operating activities</b>	<b>5,789</b>	<b>1,093</b>

(PLN k)	Q1 2018	Q1 2019
<b>Investing activities</b>		
Cash from the acquisition of companies	10,235	-
Acquisition of property, plant and equipment and intangible assets	(220)	(30)
R&D expenses	(2,059)	(5,364)
Loans granted	-	(374)
Purchase of shares	(2)	(60)
<b>Net cash flow from investing activities</b>	<b>7,954</b>	<b>(5,828)</b>
<b>Financing activities</b>		
Proceeds from loans	-	2,690
Proceeds from factoring	-	1,170
Dividends paid	(2,000)	-
Interest	-	(76)
<b>Net cash flow from financing activities</b>	<b>(2,000)</b>	<b>3,784</b>
<b>Total net cash flow</b>	<b>11,743</b>	<b>(951)</b>
Net foreign exchange differences on cash and cash equivalents	(38)	(295)
Opening balance	1,301	2,594
<b>Closing balance</b>	<b>13,006</b>	<b>1,348</b>

# Glossary.

Term	Abbreviation	Definition
<b>Advertisement</b>	<b>Ads</b>	Ads that are displayed in games and mobile apps.
<b>Average Revenue Per User</b>	<b>ARPU</b>	Average income per user in a given time period.
<b>Cost per Install</b>	<b>CPI</b>	The cost of marketing expenses incurred to acquire one user.
<b>Game as a Service</b>	<b>GaaS</b>	The game production and publishing model based on in-depth data analysis and optimization of key indicators.
<b>Game as a Product</b>	<b>Gaap</b>	The game production and publishing model based mainly on organic growth and advertising revenues.
<b>Gross revenue</b>		Revenues including platform costs (Google and Apple).
<b>Hard Launch</b>	<b>HL</b>	The moment when the product is made globally available via digital distribution platforms and its official promotion begins.
<b>In App Purchase</b>	<b>IAP</b>	Micropayments in games.
<b>Lifetime value</b>	<b>LTV</b>	Estimated total revenues generated from a statistic player.
<b>Monthly Active Users</b>	<b>MAU</b>	The number of active users on a monthly basis.
<b>Net revenue</b>		Revenues excluding platform costs (Google and Apple).
<b>Return on Advertising Spend</b>	<b>ROAS</b>	Reimbursement of expenses incurred for advertising.
<b>Soft Launch</b>	<b>SL</b>	Release of a game for a limited group of recipients and/or on a limited number of platforms to collect ratings, examine end users' reactions to the proposed form and content of the game, and verify key monetization parameters before starting global promotion.
<b>User Acquisition</b>	<b>UA</b>	Player acquisition (paid).