

# BOOMBIT



## **BOOMBIT S.A. GROUP CONSOLIDATED COMPLETE INTERIM QUARTERLY REPORT**

for the 3 months ended on 31 March 2022

GDAŃSK, 26 MAY 2022

**Table of contents**

I.	LETTER FROM THE CEO .....	3
II.	SELECTED FINANCIAL DATA FOR THE COMPLETE INTERIM CONSOLIDATED REPORT OF THE BOOMBIT S.A. GROUP FOR THE PERIOD ENDED ON 31 MARCH 2022 .....	4
III.	CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS OF THE BOOMBIT S.A. GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2022.....	6
	Consolidated condensed interim statement of comprehensive income.....	6
	Consolidated condensed interim statement of financial position.....	7
	Consolidated condensed interim statement of changes in equity .....	8
	Interim condensed consolidated cash flow statement .....	9
1	General information about the BoomBit S.A. Group and its parent.....	10
2	Group structure.....	11
3	The basis for preparing the statements.....	11
4	Professional judgement and material estimates .....	14
5	Business seasonality .....	14
6	Operating segments .....	14
7	Restatement of benchmarking data .....	14
8	Revenue on sales .....	17
9	Cost of sales .....	18
10	Income tax .....	18
11	Development costs .....	18
12	Goodwill and other intangible assets.....	19
13	Capital and equity .....	20
14	Earnings per share .....	21
15	Dividends.....	21
16	Financial instruments by type.....	22
17	Contingent liabilities and assets.....	24
18	Note to consolidated cash flow statement .....	24
19	Transactions with affiliates.....	24
20	Share-based payments .....	26
21	Subsequent events .....	26
IV.	BOOMBIT S.A. STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 31 MARCH 2022 .....	28
	Standalone interim condensed statement of comprehensive income .....	28
	Standalone interim condensed statement of financial position .....	29
	Standalone interim condensed statement of changes in equity .....	30
	Standalone interim condensed cash flow statement.....	31
V.	MANAGEMENT REPORT FOR BOOMBIT S.A. FOR THE 3 MONTHS ENDED 31 MARCH 2022.....	32
1	Description of major achievements or failures of the issuer in the reporting period.....	32
2	Description of factors and events, also those of unusual nature, which had a significant impact on the consolidated financial statements.....	39
3	Changes in the organisation of the issuer's group.....	39
4	Position of the Board of Directors concerning the possibility of materialisation of the previously published profit/loss forecasts for the financial year.....	39
5	Shareholders holding at least 5% of votes at the General Meeting and the shares held by the managing and supervisory staff	39
6	Major litigations .....	39
7	Transactions with affiliates.....	40
8	Information of suretyships or guarantees.....	40
9	Other information that, in the Issuer's opinion, is significant in order to evaluate its human resources, assets, financial position and profit/loss and changes thereof, as well as any information considered significant in order to evaluate the Issuer's capacity to meet its obligations .....	40
10	Factors that the Issuer believes will influence its results for a period not shorter than the nearest quarter .....	43



## **I. LETTER FROM THE CEO**

Dear Shareholders and Investors,

I hereby present the consolidated quarterly report summarising the results and the most important disclosures regarding the activity of the BoomBit S.A. Company and Group in the first quarter of 2022.

In the first months of this year, just like in the whole 2021, which was a record year for us for a number of reasons, we focused on further development of the BoomBit Group's game portfolio and we searched for new possibilities of increasing and diversifying our revenue.

The revenue of the BoomBit Group was over PLN 66 million – 54% up from last year. The revenue growth was driven by Mid-Core games, with two games from this segment – *Hunt Royale* and *Darts Club* – being the most profitable titles in the first quarter of 2022. I must emphasise that our portfolio is highly diversified – the five most profitable games accounted for a half of the total revenue in the first quarter and the share of Hyper-Casual games was 50%, similarly to Mid-Core and Casual jointly. The estimated results for April confirm that our publishing and promotional activities based on User Acquisition tools are well-devised and effective. We keep working on updates and marketing for the most prospective games and on adding new titles to the portfolio. The most interesting game releases this year are: *Grass Master*, *Dog Life Simulator*, *Baseball Club*, *Try to Fly* and *Train Ramp Jumping*.

The most important financial aspects I would like to mention in this brief summary are: EBITDA adjusted by one-off events, which was PLN 6.0 million, i.e. 27% down from the PLN 8.2 in the analogical period of 2021, and adjusted net profit, which was PLN 2.3 million, i.e. 41% down from the PLN 3.9 million in the previous year.

The most important matter for the shareholders is the recommendation of the Board of Directors to pay the dividend for 2021. We already paid an interim dividend of PLN 3.2 million in November and we are planning to disburse another PLN 7.5 million. This means that the total dividend for 2021 will be almost PLN 11 million. So our financial standing is very good, we generate positive cash flows, the cash balance is growing too – it was over PLN 37 million at the end of the March, i.e. 12% more than at the end of June 2021.

The most important events include *BoomPick*, i.e. the new Joint Venture created together with the Polish developer Cherrypick Games to release mainly merge games as an interesting addition to the portfolio of the BoomBit Group. We keep developing operationally as we have more titles in the pipeline at BoomBit, BoomHits and our Joint Ventures. We have high hopes for our new area of activity, that is Play and Earn projects based on the blockchain technology. The first noticeable expenses are already visible in our results in the first quarter, and if the assumed milestones proceed as scheduled, in the second half of the year we should be able to report the first revenue as well.

The solid and highly diversified portfolio and the prospective titles and new initiatives we are working on are the main foundations for the further growth of the BoomBit Group.

The full report is presented below.

Yours faithfully,

*Marcin Olejarz*

*CEO of BoomBit S.A.*

**II. SELECTED FINANCIAL DATA FOR THE COMPLETE INTERIM CONSOLIDATED REPORT OF THE BOOMBIT S.A. GROUP FOR THE PERIOD ENDED ON 31 MARCH 2022**

**Selected consolidated financial data**

	<b>3 months ended 31 March</b>		<b>3 months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue on sales of services	66,153	42,894	14,452	9,382
Cost of sale	(60,925)	(36,356)	(13,310)	(7,952)
Gross profit on sales	5,228	6,538	1,142	1,430
Operating profit/loss	2,880	4,970	629	1,087
Profit/loss before tax	2,901	4,979	634	1,089
<b>Net profit/loss</b>	<b>2,273</b>	<b>3,882</b>	<b>497</b>	<b>849</b>
Total comprehensive income	1,977	5,028	432	1,100
<b>Total comprehensive income</b>				
- attributable to shareholders of the parent	1,944	3,982	425	871
- attributable to minority interest	33	1,046	7	229
Profit/loss per share (in PLN/EUR) (basic)	0.17	0.21	0.04	0.05
Profit/loss per share (in PLN/EUR) (diluted)	0.17	0.21	0.04	0.05
Net cash flows from operating activity	6,754	5,222	1,475	1,142
Net cash flows from investment activity	(2,559)	(2,146)	(559)	(469)
Net cash flows from financial activity	12	(27)	3	(6)
<b>Cash flows before exchange differences</b>	<b>4,207</b>	<b>3,049</b>	<b>919</b>	<b>668</b>
Total net cash flows	4,030	3,187	880	697
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets	47,092	47,777	10,239	10,388
Current assets	73,499	71,853	15,980	15,622
<b>Total assets</b>	<b>120,591</b>	<b>119,630</b>	<b>26,219</b>	<b>26,010</b>
Equity attributable to shareholders of the parent	77,864	75,865	16,929	16,495
Equity attributable to minority interest	3,241	3,206	705	697
<b>Total equity</b>	<b>81,105</b>	<b>79,071</b>	<b>17,634</b>	<b>17,192</b>
Long-term liabilities	2,945	2,979	640	648
Short-term liabilities	36,541	37,580	7,945	8,171
<b>Total liabilities</b>	<b>39,486</b>	<b>40,559</b>	<b>8,585</b>	<b>8,818</b>
<b>Total equity and liabilities</b>	<b>120,591</b>	<b>119,630</b>	<b>26,219</b>	<b>26,010</b>

**Selected separate financial data**

	3 months ended		3 months ended	
	31 March		31 March	
	2022	2021	2022	2021
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue on sales of services	40,789	27,030	8,777	5,912
Cost of sale	(36,231)	(23,205)	(7,796)	(5,075)
Gross profit on sales	4,558	3,825	981	837
Operating profit/loss	3079	2124	663	465
Profit/loss before tax	3,154	2,137	679	467
<b>Net profit/loss</b>	<b>2,558</b>	<b>1,696</b>	<b>550</b>	<b>371</b>
Total comprehensive income	2,558	1,696	550	371
Profit/loss per share (in PLN/EUR) (basic)	0.19	0.13	0.04	0.03
Profit/loss per share (in PLN/EUR) (diluted)	0.19	0.13	0.04	0.03
Net cash flows from operating activity	7,108	3,271	1,530	715
Net cash flows from investment activity	(1,590)	(3,387)	(342)	(741)
Net cash flows from financial activity	12	(28)	3	(6)
<b>Cash flows before exchange differences</b>	<b>5,530</b>	<b>(144)</b>	<b>1191</b>	<b>(32)</b>
Total net cash flows	5,573	7	1,199	2

	31		31	
	31 March	December	31 March	December
	2022	2021	2022	2021
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets	40,632	42,873	8,733	9,321
Current assets	64,524	63,207	13,869	13,743
<b>Total assets</b>	<b>105,156</b>	<b>106,080</b>	<b>22,602</b>	<b>23,064</b>
<b>Total equity</b>	<b>72,780</b>	<b>70,167</b>	<b>15,643</b>	<b>15,256</b>
Long-term liabilities	3,105	3,167	667	689
Short-term liabilities	29,271	32,746	6,292	7,119
<b>Total liabilities</b>	<b>32,376</b>	<b>35,913</b>	<b>6,959</b>	<b>7,808</b>
<b>Total equity and liabilities</b>	<b>105,156</b>	<b>106,080</b>	<b>22,602</b>	<b>23,064</b>

The above financial data for 3 months of 2022 and 2021 and for the periods ended 31 March 2022 and 31 December 2021 were converted to EUR as follows:

- items of the statement of profit/loss and other comprehensive income and items of the cash flow statement – according to an exchange rate that represents an arithmetic mean of the exchange rates defined by the National Bank of Poland (NBP) for the last day of each month in the reporting period: from 1 January to 31 March 2022 – 4.6472 EUR/PLN and from January to 31 March 2021 – 4.5721 EUR/PLN;
- asset and liability items – according to the average exchange rate defined by the National Bank of Poland (NBP) for 31 March 2022 – EUR/PLN 4.6525, and for 31 December 2021 – EUR/PLN 4.5994.

**III. CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS OF THE BOOMBIT S.A. GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2022**

**Consolidated condensed interim statement of comprehensive income**

	Note	3 months ended	
		2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
			<b>31 March</b>
Revenue on sales of services	8	66,153	42,894
Cost of sale	9	(60,925)	(36,356)
<b>Gross profit on sales</b>		<b>5,228</b>	<b>6,538</b>
General administrative costs	9	(3,128)	(2,392)
Other operating revenue		836	825
Other operating costs		(56)	(1)
<b>Operating profit/loss</b>		<b>2,880</b>	<b>4,970</b>
Financial revenue		23	16
Financial costs		(2)	(7)
<b>Profit/loss before tax</b>		<b>2,901</b>	<b>4,979</b>
Income tax	10	(628)	(1,097)
<b>Net profit/loss</b>		<b>2,273</b>	<b>3,882</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit/loss in the future:			
Exchange differences		(296)	1,146
<b>Total comprehensive income</b>		<b>1,977</b>	<b>5,028</b>
- attributable to shareholders of the parent		1,944	3,982
- attributable to minority interest		33	1,046
<b>Net profit/loss</b>			
- attributable to shareholders of the parent		2,240	2,836
- attributable to minority interest		33	1,046
<b>Profit/loss per share attributable to shareholders of the parent during the period (expressed as PLN per share)</b>			
<b>Basic</b>	14	<b>0.17</b>	<b>0.21</b>
on continued operations		0.17	0.21
on discontinued operations		-	-
<b>Diluted</b>	14	<b>0.17</b>	<b>0.21</b>
on continued operations		0.17	0.21
on discontinued operations		-	-

Consolidated condensed interim statement of financial position

		<b>31 March</b>	<b>31 December</b>
		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<i>(unaudited)</i>	<i>(audited)</i>
<b>Tangible assets</b>			
Property, plant and equipment		1,401	1,338
Development costs	11	19,848	18,934
Goodwill	12	16,218	16,230
Shares		4,408	6,483
Other financial assets	16	3,351	3,303
Deferred income tax asset		1,866	1,489
		<b>47,092</b>	<b>47,777</b>
<b>Current assets</b>			
Trade and other receivables		36,037	38,548
Income tax receivables		137	10
Cash and cash equivalents		37,325	33,295
<b>Current assets other than tangible assets held for sale</b>		<b>73,499</b>	<b>71,853</b>
<b>Assets held for sale</b>		<b>-</b>	<b>-</b>
<b>Current assets</b>		<b>73,499</b>	<b>71,853</b>
<b>Total assets</b>		<b>120,591</b>	<b>119,630</b>
<b>Equity</b>			
<b>Equity attributable to shareholders of the parent</b>			
Share capital	13	6,710	6,710
Capital from share premium		32,063	32,063
Exchange differences on translation of foreign operations		2,594	2,890
Equity from share-based payments	20	3,843	3,788
Retained earnings		32,654	30,414
		<b>77,864</b>	<b>75,865</b>
<b>Equity attributable to minority interest</b>		<b>3,241</b>	<b>3,206</b>
<b>Total equity</b>		<b>81,105</b>	<b>79,071</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Deferred income tax liabilities		2,915	2,933
Other financial liabilities	16	30	46
		<b>2,945</b>	<b>2,979</b>
<b>Short-term liabilities</b>			
Other financial liabilities	16	90	576
Trade and other liabilities		33,151	34,376
Income tax liabilities		3,300	2,628
<b>Short-term liabilities not held for sale</b>		<b>36,541</b>	<b>37,580</b>
<b>Short-term liabilities held for sale</b>		<b>-</b>	<b>-</b>
<b>Short-term liabilities</b>		<b>36,541</b>	<b>37,580</b>
<b>Total liabilities</b>		<b>39,486</b>	<b>40,559</b>
<b>Total equity and liabilities</b>		<b>120,591</b>	<b>119,630</b>

**Consolidated condensed interim statement of changes in equity**

	Note	Share capital	Capital from share premium	Exchange differences on translation	Equity from share-based payments	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
<b>As at 1 January 2022 (audited)</b>		<b>6,710</b>	<b>32,063</b>	<b>2,890</b>	<b>3,788</b>	<b>30,414</b>	<b>75,865</b>	<b>3,206</b>	<b>79,071</b>
Net profit (loss)		-	-	-	-	2,240	2,240	33	2,273
Other comprehensive income		-	-	(296)	-	-	(296)	-	(296)
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(296)</b>	<b>-</b>	<b>2,240</b>	<b>1,944</b>	<b>33</b>	<b>1,977</b>
Increase (reduction) arising from acquisition of a subsidiary		-	-	-	-	-	-	2	2
Share-based payments	27	-	-	-	55	-	55	-	55
<b>Changes in equity</b>		<b>-</b>	<b>-</b>	<b>(296)</b>	<b>55</b>	<b>2,240</b>	<b>1,999</b>	<b>35</b>	<b>2,034</b>
<b>As at 31 March 2021 (unaudited)</b>		<b>6,710</b>	<b>32,063</b>	<b>2,594</b>	<b>3,843</b>	<b>32,654</b>	<b>77,864</b>	<b>3,241</b>	<b>81,105</b>

	Note	Share capital	Capital from share premium	Exchange differences on translation	Equity from share-based payments	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
<b>As at 1 January 2021 (audited)</b>		<b>6,710</b>	<b>32,063</b>	<b>1,433</b>	<b>3,247</b>	<b>21,311</b>	<b>64,764</b>	<b>2,058</b>	<b>66,822</b>
Net profit (loss)		-	-	-	-	2,836	2,836	1,046	3,882
Other comprehensive income		-	-	828	-	-	828	-	828
<b>Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>828</b>	<b>-</b>	<b>2,836</b>	<b>3,664</b>	<b>1,046</b>	<b>4,710</b>
Share-based payments	20	-	-	-	215	-	215	-	215
<b>Changes in equity</b>		<b>-</b>	<b>-</b>	<b>828</b>	<b>215</b>	<b>2,836</b>	<b>3,879</b>	<b>1,046</b>	<b>4,925</b>
<b>As at 31 March 2021 (unaudited)</b>		<b>6,710</b>	<b>32,063</b>	<b>2,261</b>	<b>3,462</b>	<b>24,147</b>	<b>68,643</b>	<b>3,104</b>	<b>71,747</b>



**Interim condensed consolidated cash flow statement**

		<b>3 months ended</b>	
		<b>31 March</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Profit/loss before tax</b>		<b>2,901</b>	<b>4,979</b>
<b>Adjustments:</b>		<b>4,331</b>	<b>773</b>
Amortisation	9	3,157	3,205
Foreign exchange profit (loss)		(134)	(408)
Interest revenue		(23)	-
Interest cost		2	19
Profit (loss) on investment activities		25	-
Change in the balance of receivables	18	2514	(9,572)
Change in liabilities	18	(1,265)	7174
Settlement of share-based payment costs	20	55	355
<b>Cash flows from activity</b>		<b>7,232</b>	<b>5,752</b>
Income tax (paid) / refunded		(478)	(530)
<b>Net cash flows from operating activity</b>		<b>6,754</b>	<b>5,222</b>
<b>Investment activity</b>			
Sale of property, plant and equipment and intangible assets		-	5
Sale of other shares		1,593	-
Acquisition of subsidiaries		(4)	-
Acquisition of property, plant and equipment and intangible assets		(199)	(134)
Development costs	11	(3,949)	(2,017)
<b>Net cash flows from investment activity</b>		<b>(2,559)</b>	<b>(2,146)</b>
<b>Financial activity</b>			
Capital increase	20	40	-
Repayment of lease liabilities		(26)	(25)
Interest		(2)	(2)
<b>Net cash flows from financial activity</b>		<b>12</b>	<b>(27)</b>
<b>Cash flows before exchange differences</b>		<b>4,207</b>	<b>3,049</b>
Net foreign exchange differences on cash and cash equivalents		(177)	138
<b>Total net cash flows</b>		<b>4,030</b>	<b>3,187</b>
Cash opening balance		33,295	20,748
<b>Cash closing balance, including:</b>		<b>37,325</b>	<b>23,935</b>
- of limited disposability		-	-

## **1 General information about the BoomBit S.A. Group and its parent**

The BoomBit S.A. Group ("Group") consists of the company BoomBit S.A. ("Company," "parent"), which is the parent of the Group and its subsidiaries (see Note 2). The consolidated condensed interim financial statements of BoomBit S.A. cover the 3 months ended 31 March 2022 and contain relevant benchmarking data.

Business name:	BoomBit
Legal form:	Joint stock company under Polish law
Registered office:	Gdansk, ul. Zacna 2
Country of registration:	Poland
Core activity:	Development and publishing of computer games
Registration entity, KRS number (number in Polish register of companies) and registration date:	Gdańsk-Północ District Court in Gdańsk, 7th Commercial Division of the National Court Register; KRS number 0000740933, registered on 23 July 2018
REGON (Polish statistical business number) and date assigned:	REGON 221062100; assigned on 14 August 2010

The duration of the parent and the Group companies is perpetual.

The Company was created in 2010 by Karolina Szablewska-Olejarcz, who took up 100% of the shares. The Company's Articles of Association were drawn up as a notary deed in a Notary Office in Gdańsk before notary public Adam Wasak, as recorded in roll of deeds A No. 2938/2010. On 23 July 2018, the limited liability company Aidem Media sp. z o.o. was re-registered as a joint-stock company BoomBit S.A. The Company's Articles of Association were drawn up as a notary deed in a Notary Office in Gdańsk before notary public Izabela Fal on 9 July 2018, as recorded in Roll of Deeds A No. 6319/2018. In May 2019, the Company's shares were listed in the regulated market of the Warsaw Stock Exchange.

As at the balance sheet date and as at the date of these consolidated financial statements, the Board of Directors consisted of:

- Marcin Olejarz – CEO,
- Anibal Jose Da Cunha Saraiva Soares – Vice-President,
- Marek Pertkiewicz – Director.

The composition of the Board of Directors did not change during the reporting period and as at the date of these financial statements.

On the balance sheet date and on the date of this report, the Supervisory Board consisted of:

- Karolina Szablewska-Olejarcz – Chairwoman of the Supervisory Board,
- Marcin Chmielewski – Supervisory Board Member,
- Wojciech Napiórkowski – Supervisory Board Member,
- Szymon Okoń – Supervisory Board Member,
- Jacek Markowski – Supervisory Board Member.

The composition of the Supervisory Board did not change during the reporting period and as at the date of these financial statements.

## 2 Group structure

These interim condensed financial statements cover data of the entities presented in the following table:

Name of the Company	Registered office	Objects of business	Capital tie description/consolidation method	% of ownership and voting rights	Control/Co-control start date
BoomBit S.A.	Gdańsk, Poland	development and publishing of computer games	parent	not applicable	not applicable
BoomBit Games Ltd.	London, United Kingdom	publishing of computer games	subsidiary/full	100%	28/02/2018
BoomBit Inc.	Las Vegas, USA	publishing of computer games	subsidiary/full	100% - through BoomBit Games	28/02/2018
Play With Games Ltd.	London, United Kingdom	publishing of computer games	subsidiary/full	100%	30/03/2018
PixelMob Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	100%	28/02/2018
TapNice S.A..	Gdańsk, Poland	development and publishing of computer games	subsidiary/full	60%	16/10/2018
BoomHits Sp. z o.o.	Gdańsk, Poland	development and publishing of computer games	subsidiary/full	100%	16/10/2018
MoonDrip Sp. z o.o.	Gdańsk, Poland	development and publishing of computer games	joint venture/equity method	50%	22/06/2018
Mindsense Games Sp. z o.o.	Gdańsk, Poland	Shared Services Centre	subsidiary/full	100%	28/02/2018
ADC Games Sp. z o.o.	Gdańsk, Poland	development and publishing of computer games	subsidiary/full	50%	23/02/2021
Maisly Games Sp. z o.o.	Gdańsk, Poland	development and publishing of computer games	subsidiary/full	100%	28/05/2021
Skyloft Sp. z o.o.	Gdynia, Poland	development and publishing of computer games	subsidiary/full	50% - through BoomHits	24/08/2021
PlayEmber Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	50% - through ADC Games	06/09/2021
BoomPick Games Sp. z o.o.	Gdynia, Poland	development and publishing of computer games	subsidiary/full	60%	21/02/2022

On 21 February 2022, the Company acquired 100 shares of PlayHolding Sp. z o.o. ("PlayHolding") for PLN 7,500. On the same day the Company signed an Investment Contract with CherryPick Games S.A. ("CherryPick") and a contract for sale of 40 shares to CherryPick for a total of PLN 3,000. As a result, the Company has 60 shares in PlayHolding, which is 60% of its share capital. On 6 April 2022, PlayHolding Sp. z o.o. was re-registered as BoomPick Games Sp. z o.o. The company is engaged in the business of creating and publishing casual games, especially of the merge and simulator types.

## 3 The basis for preparing the statements

These consolidated condensed interim financial statements were prepared in accordance with International Accounting Standard no. 34 Interim Financial Reporting ("IAS 34") in the form as approved by the European Union ("EU"). The consolidated condensed interim financial statements do not cover all the data or all the disclosures required for the consolidated annual financial statements and they shall be read in conjunction with the consolidated financial statements of the Group prepared in accordance with the IFRSs for the year ended dated 31 December 2021.

There consolidated condensed interim financial statements were prepared based on the assumption that the Group would continue as a going concern Bank transfer Group in the foreseeable future, i.e. for at least one year following the preparation of the consolidated condensed interim financial statements, and that there were no signs of any threat to the Group's continuation as a going concern.

The Group recognises the threat connected with the potential global epidemic crisis which may cause an economic downturn, recession in stock markets and slow down the development of the Group's products. Many factors are beyond the Group's control but the Group takes the steps to minimise the threat and to complete its works by deadlines. By the publication date of the consolidated condensed interim financial statements, the Group did not identify any negative consequences of COVID-19 for the Group's projects and financial results. As at the date of approving these consolidated condensed interim financial statements, there are no circumstances that would suggest the existence of any threats to the Group continuing as a going concern.

In connection with the war in Ukraine, the Group estimated the impact of the war on the activity of the Group and on its financial results. Suspension of the sale to Russia and Belarus will not have any major impact on the Group's financial results. In connection with the sanctions, no technology goods may be exported to the Russian Federation which could help reinforce the military and technological potential of Russia or support the development of the defence and security sectors. The Group does not sell any products or goods which could be dual-use products. By the statements publication date, the Group did not identify any material negative consequences of the war in Ukraine and of the sanctions imposed on Russia and Belarus for the Group's projects and financial results.

The functional currency of the parent company and the presentation currency of the consolidated condensed interim financial statements is Polish zloty (PLN) and all figures are given in thousand PLN (PLN '000), unless specified otherwise.

### **3.1 New standards and interpretations applied for the first time in 2022**

The accounting principles (policy) applied in the preparation of these consolidated condensed interim financial statements are consistent with the ones applied in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2021, except for the application of new standards as well as changes to standards and changes to the accounting principles of the Group as described below:

- a) Amendments to IAS 16 "Property, Plant and Equipment" – Proceeds before Intended Use, approved in the EU on 28 June 2021 (effective for annual periods starting on 1 January 2022 or later),
- b) Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – Onerous Contracts – Cost of Fulfilling a Contract, approved in the EU on 28 June 2021 (effective for annual periods starting on 1 January 2022 or later),
- c) Amendments to IFRS 3 "Business Combinations" – amendment of the reference to the Conceptual Framework along with amendments to IFRS 3, approved in the EU on 28 June 2021 (effective for annual periods starting on 1 January 2022 or later),
- d) Amendments to various standards "Annual Improvements to IFRS Standards 2018–2020 Cycle" – amendments made within the procedure of making annual changes to IFRSs (IFRS 1, IFRS 9, IFRS 16 and IAS 41), intended mainly to resolve inconsistencies and adding precision to the terminology – approved in the EU on 28 June 2021 (amendments to IFRS 1, IFRS 9 and IAS 41 apply to the annual periods starting on 1 January 2022 or later. Amendments to IFRS 16 apply only to the illustrative example so no effective date has been stated).

The above amendments do not materially influence the interim condensed consolidated financial statements of the Group.

### **3.2 Standards, amendments and interpretations of the existing standards which have been published but are not effective**

The following standards and interpretations were published by the International Accounting Standards Board but they did not become effective until the reporting period end date:

- a) Amendments to IAS 1 "Presentation of Financial Statements" – Disclosure of Accounting Policies, approved in the EU on 2 March 2022 (effective for annual periods starting on 1 January 2023 or later),
- b) Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – Definition of Accounting Estimates, approved in the EU on 2 March 2022 (effective for annual periods starting on 1 January 2023 or later),
- c) IFRS 17 "Insurance Contracts" as amended, approved in the EU on 19 November 2021 (effective for annual periods starting on 1 January 2023 or later),
- d) IFRS "Regulatory Deferral Accounts" (applicable to the annual periods starting from 1 January 2016 or later) – the European Commission decided not to start the process of approving the temporary standard for application in the EU until the final version of IFRS 16 is issued,
- e) Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-current, not approved by the EU until the approval of these financial statements (applicable to the annual periods starting on 1 January 2023 or later),
- f) Amendments to IAS 12 "Income Tax" – Deferred Tax related to Assets and Liabilities arising from a Single Transaction, not approved by the EU until the approval of these financial statements (applicable to the annual periods starting on 1 January 2023 or later),
- g) Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture or subsequent amendments, not approved by the EU until the approval of these financial statements (the effective date was postponed until the end of the research on the equity method),
- h) Amendments to IFRS 17 "Insurance Contracts" – Initial Application of IFRS 17 and IFRS 9 – Comparative Informations, not approved by the EU until the approval of these financial statements (applicable to the annual periods starting on 1 January 2023 or later).

By the approval date of these consolidated condensed financial statements, the Board of Directors did not complete the assessment of how the introduction of the remaining standards and interpretations affected the Group's accounting principles (policy) in respect of the Group's activity or financial results.

The Group has not decided to apply any standard, interpretation or amendment which have already been published but is not yet effective under the EU laws.

### **3.3 Major accounting principles applied by the Group**

The estimates applied by the Group are described in the consolidated financial statements for the year ended on 31 December 2021. The applied accounting policy did not change versus 31 December 2021.

The presentation of certain items of the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement changed in 2021.



The changes were not caused by any changes in the accounting principles of the Group but they resulted from aligning the presentation items with the requirements and reporting layout of the ESEF. The restatement of the benchmarking data is presented in Note 7.

#### **4 Professional judgement and material estimates**

Preparing the Group's consolidated financial statements requires the Board of Directors of the parent to make judgements, estimates and assumptions which influence the presented revenue, costs, assets and liabilities and the related notes as well as the disclosures regarding contingent liabilities. Uncertainty as to such assumptions and estimates may result in material changes in the values of balance-sheet assets and liabilities in the future. In the process of applying the accounting principles (policy), the Board of Directors has made the following judgements with the greatest impact on the presented balance-sheet values of assets and liabilities.

The judgments and estimates applied by the Group are described in the consolidated financial statements for the year ended on 31 December 2021.

##### Acquisition of a subsidiary

In the reporting period, the parent company acquired shares in BoomPick Games Sp. z o.o. (former Playholding Sp. z o.o.) – see the description in Notes 2 and 12.

##### Asset impairment

The Group has analysed potential grounds for impairment of material tangible assets, such as development costs and shares in other parties. Analyses revealed that the estimated impairment losses for those categories of assets would be insignificant, as a result of which the Board of Directors decided not to recognise them.

The Group also verified loans granted and receivables for expected credit losses (ECL) as required by IFRS (See the description in Note 16).

#### **5 Business seasonality**

The Group's business is not seasonal.

#### **6 Operating segments**

The Group runs its primary business in one segment, which consists of production and sale of mobile games and applications.

#### **7 Restatement of benchmarking data**

The presentation of certain items of the annual statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement changed in 2021. Some reporting items were accumulated while other were broken down into separate items. Additional summary items were also added. The changes were not caused by any changes in the accounting principles of the Group but they resulted from aligning the presentation items with the requirements and reporting layout of the European Single Electronic Format ("ESEF"). Restatement was needed only for the benchmarking data for the 3 months of 2021 which were presented in the consolidated statement of changes in equity and in the consolidated cash flow statement.

**Consolidated statement of changes in equity**

<b>Before the restatement</b>	<b>After the restatement</b>	Share capital	Capital from share premium	Exchange differences on translation	Equity from share-based payments	Retained earnings	<b>Equity attributable to shareholders of the parent</b>	Equity attributable to minority interest	<b>Total equity</b>
<b>As at 1 January 2021 (audited)</b>	<b>As at 1 January 2021 (audited)</b>	<b>6,710</b>	<b>32,063</b>	<b>1,433</b>	<b>3,247</b>	<b>21,311</b>	<b>64,764</b>	<b>2,058</b>	<b>66,822</b>
	Net profit (loss)					2,836	<b>2,836</b>	1,046	<b>3,882</b>
	Other comprehensive income			828			<b>828</b>		<b>828</b>
<b>Comprehensive income</b>	<b>Comprehensive income</b>	-	-	<b>828</b>	-	<b>2,836</b>	<b>3,664</b>	<b>1,046</b>	<b>4,710</b>
Share-based payments	Share-based payments	-	-	-	215	-	<b>215</b>	-	<b>215</b>
<b>Changes in equity</b>	<b>Changes in equity</b>	-	-	<b>828</b>	<b>215</b>	<b>2,836</b>	<b>3,879</b>	<b>1,046</b>	<b>4,925</b>
<b>As at 31 December 2020 (audited)</b>	<b>As at 31 December 2020 (audited)</b>	<b>6,710</b>	<b>32,063</b>	<b>2,261</b>	<b>3,462</b>	<b>24,147</b>	<b>68,643</b>	<b>3,104</b>	<b>71,747</b>

**Consolidated cash flow statement**

	Before the restatement	Change	After the restatement
	3 months ended 31 March	3 months ended 31 March	3 months ended 31 March
	<b>2021</b>	<b>2021</b>	<b>2021</b>
<b>Profit/loss before tax</b>	<b>4,979</b>	-	<b>4,979</b>
<b>Adjustments:</b>	<b>243</b>	-	<b>773</b>
Amortisation	3,205	-	3,205
Foreign exchange profit (loss)	(408)	-	(408)
Interest	19	-	19
Change in the balance of receivables	(9,572)	-	(9,572)
Change in liabilities	7,174	-	7,174
Settlement of share-based payment costs	140	215	355
Share-based payments	215	(215)	-
<b>Cash flows from activity</b>		-	<b>5,752</b>
Income tax (paid) / refunded	(530)	-	(530)
<b>Net cash flows from operating activity</b>	<b>5,222</b>	-	<b>5,222</b>
<b>Investment activity</b>			
Sale of property, plant and equipment and intangible assets	5	-	5
Acquisition of property, plant and equipment and intangible assets	(134)	-	(134)
Development costs	(2,017)	-	(2,017)
<b>Net cash flows from investment activity</b>	<b>(2,146)</b>	-	<b>(2,146)</b>
<b>Financial activity</b>			
Repayment of lease liabilities	(25)	-	(25)
Interest	(2)	-	(2)
<b>Net cash flows from financial activity</b>	<b>(27)</b>	-	<b>(27)</b>
<b>Cash flows before exchange differences</b>	<b>3,049</b>	-	<b>3,049</b>
Net foreign exchange differences on cash and cash equivalents	138	-	138
<b>Total net cash flows</b>		-	<b>3,187</b>
Cash opening balance	20,748	-	20,748
<b>Cash closing balance, including:</b>	<b>23,935</b>	-	<b>23,935</b>
- of limited disposability	-		-

## 8 Revenue on sales

### Sources of revenue

	<b>3 months ended 31 March</b>			
	<b>2022</b>		<b>2021</b>	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
micropayments and sale of digital copies	18,917	29%	6,565	15%
advertising	46,341	70%	36,168	84%
other	895	1%	161	0%
	<b>66,153</b>	<b>100%</b>	<b>42,894</b>	<b>99%</b>

*including:*

<i>platforms (distribution)</i>	65,258	99%	42,733	100%
---------------------------------	--------	-----	--------	------

### Platforms (distribution)

	<b>3 months ended 31 March</b>			
	<b>2021</b>		<b>2020</b>	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
iOS	28,963	44%	22,356	46%
Android	35,445	54%	19,467	53%
other	850	1%	910	1%
	<b>65,258</b>	<b>100%</b>	<b>42,733</b>	<b>100%</b>

### Geographic data

	<b>3 months ended 31 March</b>			
	<b>2021</b>		<b>2020</b>	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
North America	33,715	52%	24,677	51%
Europe	18,187	28%	11,696	30%
Asia	9,909	15%	3,834	13%
Australia & Oceania	1,544	2%	1,336	3%
South America	1,621	2%	1,017	2%
Africa	282	0%	173	1%
	<b>65,258</b>	<b>100%</b>	<b>42,733</b>	<b>100%</b>

### Leading business partners

	<b>3 months ended 31 March</b>			
	<b>2022</b>		<b>2021</b>	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Facebook	5,996	9%	13,139	31%
AdMob	8,247	12%	1,605	4%
Applovin	13,095	20%	4,057	9%
Google	10,123	15%	6,618	15%
IronSource	5,671	9%	4,113	10%
Unity Technologies	5,380	8%	4,848	11%
Apple	8,003	12%	2,910	7%
Adlogic Technology	3,032	5%	32	0%
Fyber Monetization	2,480	4%	2,629	6%
Vungle	1,083	2%	605	1%
Pangle Tik Tok	858	1%	549	1%
Nintendo	824	1%	891	2%
AdColony	581	1%	429	1%
Others	780	1%	469	2%
	<b>66,153</b>	<b>100%</b>	<b>42,894</b>	<b>100%</b>

## 9 Cost of sales

	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Amortisation	3,157	3,205
Materials and energy consumption	180	79
Third-party services	60,484	34,984
<i>Commissions of distribution platforms</i>	4,897	2,105
<i>User acquisition costs</i>	39,445	23,491
<i>Rev share costs</i>	5,576	1,915
Taxes and levies	57	51
Salaries	3,641	2,789
Social security and other benefits	534	372
Other costs by type	66	33
<b>Total costs by type</b>	<b>68,119</b>	<b>41,513</b>
Development costs	(4,066)	(2,765)
General administrative costs	(3,128)	(2,392)
<b>Costs of sale</b>	<b>60,925</b>	<b>36,356</b>

## 10 Income tax

	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(audited)</i>	<i>(audited)</i>
<b>Gross profit</b>	<b>2,901</b>	<b>4,979</b>
Theoretical tax calculated according to domestic rates that apply to income in Poland (19%)	(551)	(946)
Difference on tax according to another rate	(70)	(235)
Non-tax-deductible costs	(36)	81
<i>including: costs of incentive schemes</i>	(11)	-
Exchange differences	3	(3)
Revenues not included in the tax base	26	6
CIT adjustments related to previous years	-	-
<b>Charge on the financial result on account of income tax</b>	<b>(628)</b>	<b>(1,097)</b>
effective tax rate	21.6%	22.0%

## 11 Development costs

	Completed development work – Games	Completed development work – support tools	Patents and licences	Incomplete development work (assets in progress)	<b>Total</b>
<b>As at 1 January 2022 (audited)</b>					
Cost	37,199	16,388	-	2,238	<b>55,825</b>
Amortisation to date	(24,238)	(9,522)	-	-	<b>(33,760)</b>
Impairment losses	(3,083)	(48)	-	-	<b>(3,131)</b>
<b>Net value</b>	<b>9,878</b>	<b>6,818</b>	<b>-</b>	<b>2,238</b>	<b>18,934</b>
Increases*	-	-	-	3,949	<b>3,949</b>
Gross sales/liquidation	(490)	-	-	-	<b>(490)</b>
Sales/liquidation total amortisation	476	-	-	-	<b>476</b>
Transfer between categories	2,694	523	-	(3,217)	-
Transfer between categories – total depreciation	34	(34)	-	-	-
Exchange differences on translation	-	-	-	-	-
Amortisation	(2,278)	(743)	-	-	<b>(3,021)</b>



**As at 31 March 2022 (unaudited)**

Cost	39,403	16,911	-	2,970	<b>59,284</b>
Amortisation to date	(26,006)	(10,299)	-	-	<b>(36,305)</b>
Impairment losses	(3,083)	(48)	-	-	<b>(3,131)</b>
<b>Net value</b>	<b>10,314</b>	<b>6,564</b>	<b>-</b>	<b>2,970</b>	<b>19,848</b>

\* The value of the increases differs from the value of development costs specified in Note 9 by the revenue earned in the soft launch in the amount of PLN 117,000.

Development costs for the 3 months ended on 31 March 2022 include expenses on outsourced services of PLN 3,070,000 and expenses on salaries and the related contributions of PLN 879,000. PLN The expenses were reduced by revenue at the soft launch stage if PLN 117,000. Amortisation of completed development works is fully charged to the cost of goods sold.

	Completed development work – Games	Completed development work – support tools	Patents and licences	Incomplete development work (assets in progress)	<b>Total</b>
<b>As at 1 January 2021 (audited)</b>					
Cost	44,779	14,370	88	9,593	<b>68,830</b>
Amortisation to date	(28,249)	(6,710)	(88)	-	<b>(35,047)</b>
Impairment losses**	(3,481)	(652)	-	(8,488)	<b>(12,621)</b>
<b>Net value</b>	<b>13,049</b>	<b>7,008</b>	<b>-</b>	<b>1,105</b>	<b>21,162</b>
Increases*	-	-	-	2,017	<b>2,017</b>
Transfer between categories***	557	1,309	-	(1,866)	-
Exchange differences on translation	6	29	-	45	<b>80</b>
Depreciation and amortisation	(2,338)	(706)	-	-	<b>(3,044)</b>

**As at 31 March 2021 (unaudited)**

Cost	45,342	15,708	88	9,789	<b>70,927</b>
Amortisation to date	(30,587)	(7,416)	(88)	-	<b>(38,091)</b>
Impairment losses**	(3,481)	(652)	-	(8,488)	<b>(12,621)</b>
<b>Net value</b>	<b>11,274</b>	<b>7,640</b>	<b>-</b>	<b>1,301</b>	<b>20,215</b>

\* the value of the increases differs from the value of development costs specified in Note 9 by the revenue earned in the soft launch in the amount of PLN 748,000.

\*\*The presentation of the impairment losses of PLN 623,000 was adjusted as at 1 January 2021 through the movement of this value from 'Completed development work – supporting tools' to 'Incomplete development work (assets in progress).'

\*\*\* The presentation of transfer between categories was adjusted by PLN 1,235,000 through transfer of this value from 'Completed development work – Games' to 'Incomplete development work (assets in progress).'

Development costs for the 3 months ended on 31 March 2021 include expenses on outsourced services of PLN 2,185,000 and expenses on salaries and the related contributions of PLN 580,000. The expenses were reduced by revenue at the soft launch stage if PLN 748,000. Amortisation of completed development works is fully charged to the cost of goods sold.

**12 Goodwill and other intangible assets**

The change in goodwill versus 31 December 2021 arises from the foreign exchange differences accrued by the reporting period end date – PLN 12,000

On 21 February 2022, the Company acquired 100 shares of PlayHolding Sp. z o.o. ("PlayHolding") for PLN 7,500. On the same day the Company signed an Investment Contract with CherryPick Games S.A. ("CherryPick") and a contract for sale of 40 shares to CherryPick for a total of PLN 3,000. As a result of the transaction, the Company holds 60 shares in PlayHolding, which represents 60% of its share capital, and it did not lose control of PlayHolding. On 6 April 2022, PlayHolding Sp. z o.o. was re-registered as BoomPick Games Sp. z o.o. At the moment of the acquisition and signing of the investment contract with CherryPick, PlayHolding was not running current operations so the share purchase and sale transaction is insignificant from the point of view of consolidated financial statements. No goodwill was recognised for the purchase of PlayHolding.

### 13 Capital and equity

Share capital and shareholding structure as at 31 December 2021:

	Number of shares	Par value
Class A – registered shares with preference as to votes (2 votes per share)	6,000,000	3,000,000
Class B – ordinary bearer shares	6,000,000	3,000,000
Class C – ordinary bearer shares	1,300,000	650,000
Class D – ordinary bearer shares	120,000	60,000
	<b>13,420,000</b>	<b>6,710,000</b>

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,837,208	918,604	13.69%	14.61%
Marcin Olejarz	1,862,500	931,250	13.88%	14.74%
ATM Grupa S.A.	4,000,000	2,000,000	29.81%	30.90%
We Are One Ltd.*	3,725,000	1,862,500	27.76%	29.48%
Other shareholders	1,995,292	997,646	14.87%	10.27%
	<b>13,420,000</b>	<b>6,710,000</b>	<b>100.00%</b>	<b>100.00%</b>

Share capital and shareholding structure as at 31 March 2022:

	Number of shares	Par value		
Class A – registered shares with preference as to votes (2 votes per share)	6,000,000	3,000,000		
Class B – ordinary bearer shares	6,000,000	3,000,000		
Class C – ordinary bearer shares	1,300,000	650,000		
Class D – ordinary bearer shares	120,000	60,000		
	<b>13,420,000</b>	<b>6,710,000</b>		
	Number of shares	Par value	Percentage of capital of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,837,262	918,631	13.69%	14.61%
Marcin Olejarz	1,863,661	931,831	13.89%	14.75%
ATM Grupa S.A.	4,000,000	2,000,000	29.81%	30.90%
We Are One Ltd.*	3,725,000	1,862,500	27.76%	29.48%
Other shareholders	1,994,077	997,039	14.86%	10.27%
	<b>13,420,000</b>	<b>6,710,000</b>	<b>100.00%</b>	<b>100.00%</b>

\*100% of shares in We Are One Ltd. are held by Anibal Jose Da Cunha Saraiva Soares

As at the publication date of these consolidated financial statements, the share capital and the shareholding structure were as follows:

	Number of shares	Par value
Class A – registered shares with preference as to votes (2 votes per share)	6,000,000	3,000,000
Class B – ordinary bearer shares	6,000,000	3,000,000
Class C – ordinary bearer shares	1,300,000	650,000
Class D – ordinary bearer shares	120,000	60,000
Class F – ordinary bearer shares	80,000	40,000
	<b>13,500,000</b>	<b>6,750,000</b>

	<b>Number of shares</b>	<b>Par value</b>	<b>Percentage of capital</b>	<b>Percentage of votes</b>
Karolina Szablewska-Olejarz	1,838,839	919,420	13.62%	14.56%
Marcin Olejarz	1,865,089	932,545	13.82%	14.69%
ATM Grupa S.A.	4,000,000	2,000,000	29.63%	30.77%
We Are One Ltd.*	3,725,000	1,862,500	27.59%	29.36%
Other shareholders	2,071,072	1,035,536	15.34%	10.62%
	<b>13,500,000</b>	<b>6,750,000</b>	<b>100.00%</b>	<b>100.00%</b>

#### 14 Earnings per share

The presented earnings per share are calculated as earnings attributable to shareholders of the parent.

	<b>3 months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit/loss for shareholders of the parent PLN	2,240	2,836
Number of shares* (as single shares)	13,420,000	13,420,000
<b>Earnings per share – basic (in PLN)</b>	<b>0.17</b>	<b>0.21</b>

\* Weighted average number of shares in the reporting period

Diluted earnings per share are calculated as earnings attributable to shareholders of the parent and the hypothetical weighted average number of shares. On 06 December 2021, 80,000 subscription warrants were issued for Ms. Kathee Chimowitz under the resolution of the Company's General Meeting dated 21 February 2019. Detailed information can be found in Note 20.

	<b>3 months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit/loss for shareholders of the parent PLN	2,240	2,836
Number of shares* (as single shares)	13500000	13420000
<b>Earnings per share – diluted (in PLN)</b>	<b>0.17</b>	<b>0.21</b>

\* Weighted average hypothetical number of shares in the reporting period

#### 15 Dividends

On 27 September 2021, the Board of Directors adopted a resolution on paying the dividend for 2021 in the amount of PLN 0.24 per share, which totals PLN 3,221,000. The interim dividend was paid to the Company's shareholders on 10 November 2021. The interim dividend covered 13,420,000 of Company shares.

On 25 April 2022, the Board of Directors adopted a resolution on recommending that the 2021 earned net profit of PLN 12,375,000 be allocated in part for dividend payment and in part for spare capital increase as follows:

- PLN 10,665 (86.18% of the 2021 net profit) for dividend for the shareholders, i.e. PLN 0.79 per share (the number of shares issued by the Company as at 25 April is: 13,500,000).
- PLN 1,710,000 (13.82% of the 2021 net profit) for spare capital increase.

The recommendation was presented to the Company's Supervisory Board on 25 April 2021 and it was approved.

The final decision on the distribution of the profit for the financial year ended 31 December 2021 shall be made by the Company's Ordinary General Meeting.

## 16 Financial instruments by type

At the end of the current reporting period, the Group had only financial assets measured at amortised cost, except for the shares in SuperScale ("SuperScale"), measured at fair value through profit or loss.

At the end of the current reporting period, the Group had only financial assets and liabilities measured at amortised cost, except for the shares in SuperScale ("SuperScale") and the Call Option for SuperScale shares, measured at fair value through profit or loss.

In accordance with the Investment Contract of 17 August 2020 regarding the terms and conditions of investing in SuperScale Sp. z o.o. ("SuperScale"), Level-Up First S.à.r.l. ("Level-Up"), the main shareholder of that company, decided on 8 February 2022 to exercise the right to buy 112 SuperScale shares from the Company for EUR 3,150 per share. The total amount for sale of the SuperScale shares was EUR 352,800. In 2020, the Company recognised the liability arising from the above Call Option in the financial year so the transaction involving the sale of the shares had no impact on the profit/loss of the Company in the current reporting period.

The carrying value of financial instruments measured at amortised cost does not materially differ from their fair value.

	<b>31 March</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(audited)</i>
<b>Assets measured at amortised cost</b>		
Trade receivables	27,030	30,384
Other financial assets	3,351	3,303
Cash and cash equivalents	37,325	33,295
	<b>67,706</b>	<b>66,982</b>
<b>Financial assets measured at fair value through profit or loss</b>		
Interests and shares in other entities	4,408	6,483
	<b>4,408</b>	<b>6,483</b>
<b>Financial assets</b>	<b>72,114</b>	<b>73,465</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(audited)</i>
<b>Liabilities measured at amortised cost</b>		
Trade liabilities	28,924	31,699
Other financial liabilities	120	146
	<b>29,044</b>	<b>31,845</b>
<b>Liabilities measured at fair value through profit or loss</b>		
Call option for SuperScale Sp. z o.o. shares	-	476
	<b>-</b>	<b>476</b>
<b>Financial liabilities</b>	<b>29,044</b>	<b>32,321</b>
<b>Financial instruments measured at amortised cost</b>		

The Group discloses the following as other financial assets (the amounts below are principal amounts, without interest):

- the loans granted by the parent company to a co-controlled company Moondrip Sp. z o.o. PLN 1,077,000 was used by the end date of the current reporting period. The loan interest rate is WIBOR 3M plus margin. The agreed loan repayment date was set as 30 June 2023.
- EUR 452,000 of loans granted to SuperScale (interest rate EURIBOR 3M plus margin). An agreement regarding the loan was signed on 17 August 2020 whereby they were to be repaid within the 5 years following the conclusion of the Investment Contract, i.e. by 17 August 2025.

As other financial liabilities as at 31 December 2021 and 31 March 2022, the Group discloses:

- lease liabilities of PLN 120,000 (PLN 30,000 disclosed as a long-term liability as at the balance sheet date and PLN 146,000 as a long-term liability on the end of the benchmarking period, including a long-term liability of PLN 46,000) The liabilities apply to two car lease contracts for 3 years (signed in 2019 and 2020). The contracts were disclosed as other financial liability and a right of use (in tangible assets). The Group did not enter into any new lease contracts in the reporting period.

On 30 December 2021, the Company signed an overdraft facility agreement with a limit of PLN 2,100,000. The repayment deadline is 30 December 2022. The overdraft facility interest rate is WIBOR 1M plus margin. The overdraft facility was not utilised by the reporting period end date. The overdraft facility was secured with a mortgage over the Company's assets. The carrying value of the secured assets was PLN 955,000 as at 31 March 2022.

#### Financial assets measured at fair value through profit or loss

The fair value of financial assets and liabilities is established in accordance with the following fair value hierarchy:

- Level 1 – fair value based on listed prices (unadjusted) offered for identical assets or liabilities in active markets to which the Group has access on the measurement date,
- Level 2 – fair value based on input data other than Level 1 listed prices which are observable for the asset or liability, whether directly or indirectly,
- Level 3 – fair value based on non-observable input data regarding a particular asset or liability.

The fair value of the SuperScale shares (Level 2) was set based on the subscription price for new shareholders defined in the Investment Contract of 17 August 2020 and based on the target number of shares issued by SuperScale. The Company prepared an alternative measurement of the SuperScale shares as at 31 March 2022 according to a comparative method. The measurement did not reveal any material difference between this measurement and the measurement implied based on the transaction of 17 August 2020. In view of the foregoing, the Board of Directors decided to maintain the measurement of shares based on the parameters from the last transaction.

#### Impairment of financial assets

As at the balance sheet date, the Grew verified loans granted and receivables for expected credit losses (ECL) as required by IFRS 9. As a result of the analysis conducted for loans and receivables from non-affiliates, the estimated impairment loss on that account would be insignificant and so the Board of Directors decided not to recognise it in these standalone financial statements.

The Group has a collateral securing the overdue receivable from a foreign business partner, a Finnish game producer ("business partner"). As at 31 March 2022, the receivable from the business partner was EUR 214,000 (PLN 993,000). This receivable of the Group is secured as described in detail in Note 17.

On 14 December 2020, the Company filed a claim for the overdue amounts plus interest to the District Court in Pirkanmaa ("Court"), which ruled in favour of the Company in a default judgment on 8 February 2021 and obligated the business partner to pay the debt. The judgment is not final but the business partner has not questioned the grounds for the payment so far; besides, the non-finality does not preclude debt collection actions against the business partner, which were commenced in April 2021. On 17 June 2021, the business partner appealed against the decision of the Court (application for recovery). Until the appeal is reviewed by the Court, the enforcement actions have been suspended. In response to the appeal, the Company prepared an answer on 23 August 2021 where it presented the facts and pointed out that the appeal was filed past deadline, which was 10 May 2021. On 12 November 2021, the business partner submitted its written position to the Court. The court has set the hearing for 31 August 2022.



Based on the analysis of the scenarios regarding the possibility of recovering the overdue receivables from the business partner, the Group has decided that, as at the date of these consolidated interim condensed financial statements, the likelihood of recovering the overdue receivables from the business partner, or alternatively from SuperScale, is high and so no impairment loss was recognised for the receivables.

## 17 Contingent liabilities and assets

No material contingent liabilities occurred either on the reporting period end date or on the benchmarking period end date.

The Group had a contingent asset on the balance sheet date. The asset was a collateral for trade receivables from a foreign business partner ("business partner"). The collateral was established based on the agreement between SuperScale and the Company on 1 April 2019 and it covered 100% of the receivable plus the accrued interest. Within the Investment Contract regarding the terms and conditions of investing in SuperScale Sp. z o.o. ("Investment Contract"), signed on 17 August 2020, the parties agreed that in the period of 2 years following the signing of this contract the Company will not file any claims against SuperScale in connection with the collateral. Furthermore, the Investment Contract states that if specific conditions defined therein are not met after the period of 2 years, SuperScale will have to pay the Company only 50% of the unpaid amounts owed by the business partner. On the reporting period end date and on the benchmarking period end date, the amount receivable from the business partner was EUR 214,000 (interest excluded), which is PLN 993,000. The Company did not use the collateral by 31 March 2022 by the publication date of these financial statements. The Company does not have any collaterals for other receivables.

### Collateral

On 30 December 2021, the Company signed an overdraft facility agreement with a limit of PLN 2,100,000 (see Note 16), which resulted in a mortgage lien being established on the Group's property. On 31 March 2022, the carrying value of the property used as the collateral was PLN 955,000.

## 18 Note to consolidated cash flow statement

	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(audited)</i>	<i>(audited)</i>
<b>Receivables</b>		
Change of balance arising from the consolidated statement of financial position	<b>2,511</b>	<b>(9,432)</b>
- receivables acquired through acquisitions	3	-
- change in cost settlements for share-based payments	-	(140)
<b>Change in receivables arising from the consolidated cash flow statement</b>	<b>2,514</b>	<b>(9,572)</b>
<b>Liabilities</b>		
Change of balance arising from the consolidated statement of financial position	<b>(1,727)</b>	<b>7,150</b>
- balance change because of exercise of the call option	476	-
- change in capital contribution liabilities	(40)	-
- change in lease liabilities	26	24
<b>Change in liabilities arising from the consolidated cash flow statement</b>	<b>(1,265)</b>	<b>7,174</b>

## 19 Transactions with affiliates

Goods and services are acquired from affiliates on arms' length terms. Receivables from affiliates arise mainly as a result of sales transactions and are due within 60 days following the date of sale. Those receivables are not secured

and do not bear interest. There are no revaluation charges for receivables from affiliates. Liabilities towards affiliates are mainly from purchasing transactions and the payment date is 60 days following the purchase date. The liabilities do not bear interest.

As at and for the 3 months ended 31 March 2022, settlements and transactions with affiliates were as follows:

	<b>Trade and other receivables</b>	<b>Granted loans</b>	<b>Revenue</b>	<b>Purchase</b>	<b>Trade and other liabilities</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Joint ventures</b>					
MoonDrip Sp. z o.o.	5	1,169	6	-	-
<b>Parties with significant influence</b>					
Karolina Szablewska-Olejzarz	1	-	-	56	-
Marcin Olejarz	1	-	-	-	-
Marek Pertkiewicz	1	-	-	-	-
Grzegorz Regliński	-	-	-	31	11
	<b>8</b>	<b>1,169</b>	<b>6</b>	<b>87</b>	<b>11</b>

As at 31 December 2021 the settlement and for the 3 months ended 31 March 2021 the transactions with affiliates were as follows:

	<b>Trade and other receivables</b>	<b>Granted loans</b>	<b>Revenue</b>	<b>Purchase</b>	<b>Trade and other liabilities</b>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
<b>Joint ventures</b>					
MoonDrip Sp. z o.o.	4	1,154	8	-	-
<b>Parties with significant influence</b>					
Karolina Szablewska-Olejzarz	1	-	1	49	-
Marcin Olejarz	1	-	3	-	6
Marek Pertkiewicz	-	-	2	-	-
Grzegorz Regliński	-	-	-	12	11
	<b>6</b>	<b>1,154</b>	<b>14</b>	<b>61</b>	<b>17</b>

#### Salaries of governing bodies and key management

	<b>3 months ended</b>	
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Salaries</b>		
Salaries and other benefits for the Directors, including:		
<i>Board of Directors of the parent company, including:</i>		
- provisions for bonuses for the Directors	737	430
<i>Board of Directors of other entities</i>	711	425
Salaries and other benefits for the Supervisory Board	220	-
Salaries of key management	26	5
	60	78
	301	286
	<b>1,098</b>	<b>794</b>

## 20 Share-based payments

Share-based incentive schemes settled by the Company:

- subscription warrants – on 21 February, the Company's General Meeting adopted a resolution on the issue of 120,000 registered subscription warrants and their release to Ms. Kathee Chimowitz provided that she remained on the Board of Directors of the Group's entities or provided services to any Group company at the moment of being offered the warrants. The value of the warrants is PLN 2,224,000. The amount is systematically recognised in the statement of financial position as other capitals and as costs of wages and salaries for the period remaining until the exercise of the respective tranches. As at the end of the reporting period, PLN 2,170,000 was disclosed on that account as other capitals (with PLN 56,000 recognised in the current reporting period).

On 06 December 2021, Ms. Kathee Chimowitz received the first tranche of the subscription warrants, i.e. 80,000 warrants. The right was exercised on 24 March 2022. On 12 April 2022, the Company's share capital was increased in connection with the issue of 80,000 class F shares of a par value PLN 40,000.

The change of class F ordinary registered shares to ordinary bearer shares was registered on 24 May 2022.

## 21 Subsequent events

- 80,000 class F shares of the Company were assigned on 12 April 2022, which were issued within the conditional share capital increase under Resolution 6 of the Company's General Meeting of 21 February 2019 (date of registration of the conditional capital in the National Court Register: 12 August 2019). The shares were assigned in connection with the exercise of the right to take up Company shares by the beneficiary of class C subscription warrants. The change of class F ordinary registered shares to ordinary bearer shares was registered on 24 May 2022.
- An Extraordinary General Meeting of the Company was held on 21 April 2022 and it adopted resolutions as regards setting up:
  - an incentive scheme ("Scheme 1") for the Company's Directors for 2022-2024 which assumes issue of no more than 100,000 subscription warrants. The warrants will be issued free of charge and the share issue price will be PLN 0.50 per share. The implementation of Scheme 1 will depend on whether the General Meeting adopts resolutions on profit distribution for the financial year 2022, 2023 or 2024 where it decides that some or all of the profit will be intended for dividend and also on whether the scheme participant remained a Director from the moment of being listed as Scheme 1 participant to the last financial year preceding the year when the warrants were offered.

The total number of warrants that can be offered will be calculated according to the following formula:

**W = D / (10 x B)**, where:

W – total number of warrants available to the participants,

D – the amount intended as dividend in a given year under the resolution of the General Meeting on profit distribution,

B – the average closing price of Company shares in the 3 months preceding the date of the resolution on profit distribution in a given year of the incentive scheme.

- an incentive scheme ("Scheme 2") for the Company's employees and contractors of the Company and of the companies from the BoomBit Group for 2022-2024 which assumes issue of no more than 405,000 subscription warrants. The warrants will be issued free of charge and the share issue price will be PLN 0.50 per share. The implementation of Scheme 2 will depend on whether the total (accumulated) consolidated net profit attributed to the shareholders in the financial years from 2022 to 2024, adjusted by the cost of the Scheme, is higher than PLN 53 million and on whether the particular Scheme 2 participants have met the loyalty criterion.
- BoomLand FZ-LLC was founded on 06 May 2022. The company was incorporated under the laws of the United Arab Emirates. Anibal Jose Da Cunha Saraiva Soares, the Vice-President of the Company, is the only shareholder of BoomLand FZ-LLC. The purpose of the company is to run a blockchain-based project. The Company plans to sign an investment contract with the Vice-President ("Investment Contract") to define the terms of creating an entity (or group of entities forming a part of the organisational structure) under the laws of the United Arab Emirates (or any other jurisdiction agreed between the parties), who will act in the area of tokenisation, block-chain based games and the NFT ("Entity"). According to preliminary agreements, the Company will cover the Entity incorporation and functioning costs and intends to become the only shareholder thereof on the terms as are going to be set forth in the contract. The Company is planned to have a right to acquire 100% of shares in the Entity's share capital from the Vice-President of the Board of Directors for the price of the share capital paid plus USD 100. The offer to sell 100% of the Entity's shares to the Company will be irrevocable, unconditional and unqualified. Within the 18 months following the conclusion of the investment contract, the Company will be able to accept or reject the offer to acquire 100% of the Entity's shares. After the Entity has been created, any important actions shall be taken in coordination and with permission from the Company.

**IV. BOOMBIT S.A. STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 31 MARCH 2022**

**Standalone interim condensed statement of comprehensive income**

	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue on sales	40,789	27,030
Cost of sale	(36,231)	(23,205)
<b>Gross profit on sales</b>	<b>4,558</b>	<b>3,825</b>
General administrative costs	(2,415)	(2,249)
Other operating revenue	988	549
Other operating costs	(52)	(1)
<b>Operating profit/loss</b>	<b>3,079</b>	<b>2,124</b>
Financial revenue	77	16
Financial costs	(2)	(3)
<b>Profit/loss before tax</b>	<b>3,154</b>	<b>2,137</b>
Income tax	(596)	(441)
<b>Net profit/loss</b>	<b>2,558</b>	<b>1,696</b>
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income</b>	<b>2,558</b>	<b>1,696</b>
<b>Earnings per share (in PLN)</b>		
<b>Basic</b>	<b>0.19</b>	<b>0.13</b>
on continued operations	0.19	0.13
on discontinued operations	-	-
<b>Diluted</b>	<b>0.19</b>	<b>0.13</b>
on continued operations	0.19	0.13
on discontinued operations	-	-

**Standalone interim condensed statement of financial position**

	<b>31 March</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(audited)</i>
<b>Tangible assets</b>		
Property, plant and equipment	1,391	1,338
Development costs	17,625	17,458
Shares	15,727	17,797
Other financial assets	5,889	6,280
	<b>40,632</b>	<b>42,873</b>
<b>Current assets</b>		
Trade and other receivables	52,431	57,508
Other financial assets	971	153
Cash and cash equivalents	11,122	5,546
<b>Current assets other than tangible assets held for sale</b>	<b>64,524</b>	<b>63,207</b>
<b>Assets held for sale</b>	-	-
<b>Current assets</b>	<b>64,524</b>	<b>63,207</b>
<b>Total assets</b>	<b>105,156</b>	<b>106,080</b>
<b>Equity</b>		
<b>Equity attributable to shareholders of the parent</b>		
Share capital	6,710	6,710
Capital from share premium	32,064	32,064
Equity from share-based payments	3,843	3,788
Retained earnings	30,163	27,605
<b>Total equity</b>	<b>72,780</b>	<b>70,167</b>
<b>Liabilities</b>		
<b>Long-term liabilities</b>		
Deferred income tax liabilities	3,075	3,121
Other financial liabilities	30	46
	<b>3,105</b>	<b>3,167</b>
<b>Short-term liabilities</b>		
Other financial liabilities	90	576
Trade and other liabilities	26,986	30,550
Income tax liabilities	2,195	1,620
	<b>29,271</b>	<b>32,746</b>
<b>Short-term liabilities not held for sale</b>	<b>29,271</b>	<b>32,746</b>
<b>Short-term liabilities held for sale</b>	-	-
<b>Short-term liabilities</b>	<b>29,271</b>	<b>32,746</b>
<b>Total liabilities</b>	<b>32,376</b>	<b>35,913</b>
<b>Total equity and liabilities</b>	<b>105,156</b>	<b>106,080</b>



**Standalone interim condensed statement of changes in equity**

	Share capital	Capital from share premium	Other capitals	Retained earnings	Total equity
<b>As at 1 January 2022 (audited)</b>	<b>6,710</b>	<b>32,064</b>	<b>3,788</b>	<b>27,605</b>	<b>70,167</b>
Net profit (loss)	-	-	-	2,558	<b>2,558</b>
<b>Comprehensive income</b>	-	-	-	<b>2,558</b>	<b>2,558</b>
Share-based payments	-	-	55	-	<b>55</b>
<b>Changes in equity</b>	-	-	<b>55</b>	<b>2,558</b>	<b>2,613</b>
<b>As at 31 March 2022 (unaudited)</b>	<b>6,710</b>	<b>32,064</b>	<b>3,843</b>	<b>30,163</b>	<b>72,780</b>
<b>As at 1 January 2021 (audited)</b>	<b>6,710</b>	<b>32,064</b>	<b>3,247</b>	<b>18,450</b>	<b>60,471</b>
Net profit (loss)	-	-	-	12,376	<b>12,376</b>
<b>Comprehensive income</b>	-	-	-	<b>12,376</b>	<b>12,376</b>
Disbursements to owners	-	-	-	(3,221)	<b>(3,221)</b>
Share-based payments	-	-	541	-	<b>541</b>
<b>Changes in equity</b>	-	-	<b>541</b>	<b>9,155</b>	<b>9,696</b>
<b>As at 31 March 2021 (unaudited)</b>	<b>6,710</b>	<b>32,064</b>	<b>3,788</b>	<b>27,605</b>	<b>70,167</b>

**Standalone interim condensed cash flow statement**

	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Profit/loss before tax</b>	<b>3,154</b>	<b>2,137</b>
<b>Adjustments:</b>	<b>4,024</b>	<b>1,116</b>
Amortisation	2,673	3,060
Foreign exchange profit (loss)	(65)	(173)
Interest revenue	(90)	(15)
Interest cost	2	3
Profit (loss) on investment activities	(24)	-
Change in the balance of receivables	5,077	(9,164)
Change in liabilities	(3,604)	7,050
Settlement of share-based payment costs	55	355
<b>Cash flows from activity</b>	<b>7,178</b>	<b>3,253</b>
Income tax (paid) / refunded	(70)	18
<b>Net cash flows from operating activity</b>	<b>7,108</b>	<b>3,271</b>
<b>Investment activity</b>		
Sale of property, plant and equipment and intangible assets	30	5
Proceeds from repayment of loans granted	86	100
Interest received	2	9
Sale of a subsidiaries	3	-
Sale of other shares	1,593	-
Acquisition of subsidiaries	(8)	(5)
Acquisition of property, plant and equipment and intangible assets	(168)	(122)
Development costs	(2,739)	(2,874)
Loans granted	(389)	(500)
<b>Net cash flows from investment activity</b>	<b>(1,590)</b>	<b>(3,387)</b>
<b>Financial activity</b>		
Repayment of lease liabilities	(26)	(25)
Interest	(2)	(3)
<b>Net cash flows from financial activity</b>	<b>12</b>	<b>(28)</b>
<b>Cash flows before exchange differences</b>	<b>5,530</b>	<b>(144)</b>
Net foreign exchange differences on cash and cash equivalents	43	151
<b>Total net cash flows</b>	<b>5,573</b>	<b>7</b>
Cash opening balance	5,546	15,626
<b>Cash closing balance, including:</b>	<b>11,119</b>	<b>15,633</b>
- of limited disposability	-	-

## V. MANAGEMENT REPORT FOR BOOMBIT S.A. FOR THE 3 MONTHS ENDED 31 MARCH 2022

### 1 Description of major achievements or failures of the issuer in the reporting period

#### 1.1 Economic and financial figures

##### Consolidated quarterly performance data

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	change of Q1 2022 vs Q1 2021	% of change of Q1 2022 vs Q1 2021
<b>Revenue, including:</b>	<b>42,894</b>	<b>70,677</b>	<b>57,614</b>	<b>67,810</b>	<b>66,153</b>	<b>23,259</b>	<b>54%</b>
Micropayments and sale of digital copies	6,565	15,424	12,453	14,667	18,917	12,352	188%
Advertising	36,168	55,010	44,948	51,472	46,341	10,173	28%
<b>Main variable costs:</b>	<b>26,890</b>	<b>50,644</b>	<b>40,272</b>	<b>48,954</b>	<b>49,687</b>	<b>22,797</b>	<b>85%</b>
Commissions of platforms	2,105	4,489	3,400	4,389	4,882	2,777	132%
User Acquisition*	22,870	41,843	32,636	40,390	39,229	16,359	72%
Rev share	1,915	4,312	4,236	4,175	5,576	3,661	191%
<b>Revenue minus main variable costs</b>	<b>16,004</b>	<b>20,033</b>	<b>17,342</b>	<b>18,856</b>	<b>16,466</b>	<b>462</b>	<b>3%</b>
<b>EBITDA</b>	<b>8,175</b>	<b>10,247</b>	<b>7,234</b>	<b>9,360</b>	<b>6,037</b>	<b>(2,138)</b>	<b>-26%</b>
Financial revenue/expenses	9	(460)	9	(8)	21	12	133%
<b>NET PROFIT/LOSS</b>	<b>3,882</b>	<b>5,528</b>	<b>3,349</b>	<b>5,005</b>	<b>2,273</b>	<b>(1,609)</b>	<b>-41%</b>
One-off events**	-	476	-	(1,984)	-	-	0%
Current/deferred tax on one-time events	-	(91)	-	377	-	-	0%
<b>Adjusted EBITDA</b>	<b>8,175</b>	<b>10,247</b>	<b>7,234</b>	<b>7,376</b>	<b>6,037</b>	<b>(2,138)</b>	<b>-26%</b>
<b>Adjusted NET PROFIT/LOSS</b>	<b>3,882</b>	<b>5,913</b>	<b>3,349</b>	<b>3,398</b>	<b>2,273</b>	<b>(1,609)</b>	<b>-41%</b>
<i>minority interest</i>	<i>1,046</i>	<i>2,137</i>	<i>1,023</i>	<i>244</i>	<i>33</i>	<i>(1,013)</i>	<i>-97%</i>

\* The amounts do not include the User Acquisition expenses from soft launch, which are – in accordance with the accounting policy – charged to development costs.

\*\* In 2021 – valuation of the call option for Level-Up First S.à.r.l. for purchase of 112 SuperScale shares from the Company. Recognition – in 'Other operating revenue' – of the received Guaranteed Minimum of USD 500,000 (PLN 2 million) regarding a publishing contract which was not fully performed.

In the period covered by this report, the Group's total revenue (PLN 66.2 million) was 54% up from the the analogical reporting the previous year (PLN 42.9 million). Revenue was driven mainly by Mid-Core games, which are monetised primarily through micropayments, unlike Hyper-Casual games, which are monetised primarily through advertisements. A benchmarking between the 3 months ended 31 March 2022 and the analogical period of 2021 shows a 28% increase, while advertisements were recorded to increase by 188%. The increase in revenue from micropayments in the current period versus the analogical period last year is mainly because of Hunt Royale, which premièred at the end of the first quarter of 2021, i.e. on 25 March 2021, and Darts Club.

The increase in revenue on games was accompanied by an increase in cost of sale. The cost of sale in the analysed period of 2022 was PLN 60.9 million, which was PLN 24.6 million (68%) down from the analogical period in 2021 (PLN 36.5 million). The increase resulted mainly from the higher User Acquisition costs, which were PLN 39.2 million and were PLN 16.4 million (i.e. 72%) up from the analogical period in 2021. Rev share and platform commission costs

increased, and so did their share in the relations to revenue versus the analogical period last year, which is due to the higher share of Mid-Core games in the Group's results.

At the same time, the growing scale of the Group's business and the expanding portfolio of games was accompanied by an increase in staff costs, recognised in cost of sale, which were PLN 4.7 million in the 3 months ended 31 March 2022 – PLN 0.7 million up from the analogical period the previous year. The Group's performance in the analysed period was also influenced by the costs connected with the Play-to-Earn project, which were PLN 0.6 million in 'Cost of sale.'

Furthermore, the Group continued to invest in the area of collaboration with foreign development teams specialised in hyper-casual games, which led to a PLN 1.4 million YoY growth in cost of outsourced services.

General administrative costs were PLN 3.1 million, i.e. PLN 0.7 million (31%) less than in the analogical period last year.

EBITDA (calculated as operating result less depreciation) was PLN 6.0 million in the current period (versus the PLN 8.2 million in the previous year), while net profit adjusted by one-off events was PLN 2.3 million (versus the PLN 3.9 in analogical period last year).





The Group's total assets as at 31 March 2022 were PLN 120.6 million, i.e. PLN 1.0 million up from 2021. The assets increase was mainly the outcome of the cash increase. As at 31 March 2022, it was PLN 37.3 million, i.e. PLN 4.0 million up from the end of 2021. Other receivables also increased – they were PLN 9.0 million, i.e. PLN 0.8 million up from the end of 2021. The most important amount of other receivables comprises VAT receivables (PLN 8.5 million versus the PLN 7.3 million at the end of 2021). The increase was connected with higher UA expenses, which led to a higher amount of the tax to be refunded. The majority of the receivables should be paid to the Company in the next quarter.

As far as liabilities are concerned, the total liabilities were PLN 39.5 million, which was a PLN 1.1 million down versus the balance at the end of December 2021. The drop resulted from the change in trade liabilities (PLN 2.8 million down), which was mostly due to lower User Acquisition costs.

**1.2 Area of game development and publishing**

In 2022 and by the date of this the report, the Group and its affiliates released a total of 13 games on iOS and Android – of which 12 are hyper-casual games and 1 are mid-core games – and a total of 11 games in the Premium model on Nintendo Switch and Steam.


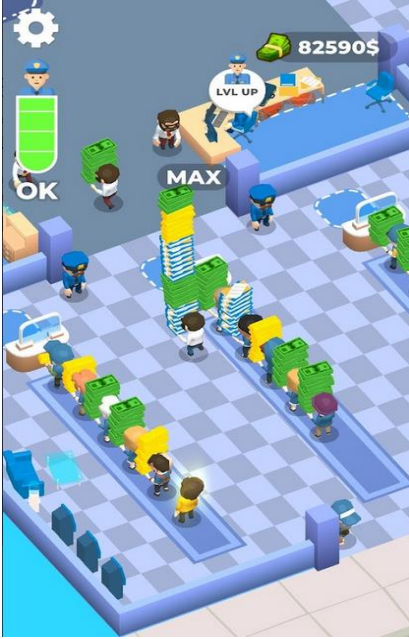


The most important titles released in 2022 by the publication date of this report are presented in the table below.


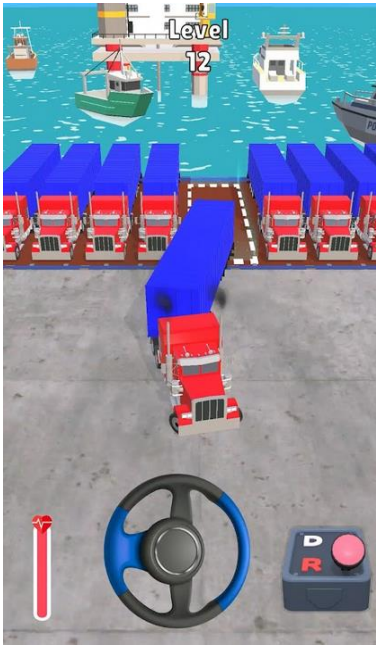
Name of the Game	Description	Images
<p><b>Slingshot Train</b>                      (released on 5 February 2022)</p> 	<p><b>Hyper-casual</b></p> <p>Can trains fly? Sure they can, at least on our latest game! Slingshot Train is stunt madness full of danger, incredible evolutions and crashes. All this is based on a crazy idea of shooting a train from a catapult. Unusual? Sure. But so much fun!</p> <p><b>Main source of revenue: advertisements</b></p>	
<p><b>Shopping Sort</b>                      (released on 7 February 2022)</p> 	<p><b>Hyper-casual</b></p> <p>Something for all kinds of shopping lovers. A game that requires the player to seek and take advantage of the best bargains. Only a player who follows the prices carefully and skilfully can take advantage of promo codes and make a deal of a lifetime.</p> <p><b>Main source of revenue: advertisements</b></p>	

<p><b>Grass Master</b> (released on 11 February 2022)</p> 	<p><b>Hyper-casual</b></p> <p>A relaxing lawn mower simulator to let the player loosen up and discover satisfaction in seemingly simple tasks. As the gameplay progresses, the player unlocks new and better machines to work faster and more efficiently.</p> <p><b>Main source of revenue: advertisements</b></p>	
<p><b>Dog Life Simulator</b> (released on 28 February 2022)</p> 	<p><b>Hyper-casual</b></p> <p>Something for animal lovers. Unlike other similar productions, Dog Life Simulator is not just about taking care of a virtual dog – it is about becoming it. A player makes a number of decisions to shape the life of their pet.</p> <p><b>Main source of revenue: advertisements</b></p>	



<p><b>Baseball Club</b> (released on 3 March 2022)</p> 	<p><b>Mid-core</b></p> <p>An online sports game focusing on the essence of what is the most exciting in baseball. A player competes with baseball players from all over the world and changes roles between the pitcher and the batter, trying to hit as many balls as he can while making this as hard as possible for the opponent. In subsequent gameplays, the player unlocks new objects to become an even greater challenge for others!</p> <p><b>Main source of revenue: micropayments and advertisements</b></p>	
<p><b>Train Ramp Jumping</b> (released on 8 March 2022)</p> 	<p><b>Hyper-casual</b></p> <p>Another stuntman game with trains in our portfolio. Train Ramp Jumping has steep ramps, huge machines and incredible crashes. Don't try it at home but it is tremendous fun to crash large trains!</p> <p><b>Main source of revenue: advertisements</b></p>	

<p><b>Bank Job: Idle Business</b> (released on 8 April 2022)</p> 	<p><b>Hyper-casual</b></p> <p>What is it like to be a finance shark, run your own bank, have control over the money of millions of people and wallow in cash? Live this fantasy with Bank Job: Idle Business. Install new safes, improve your staff, defend attacks and... literally print money! Money making has never been so easy... What a shame it is just a game.</p> <p><b>Main source of revenue: advertisements</b></p>	
<p><b>Try to Fly</b> (released on 11 April 2022)</p> 	<p><b>Hyper-casual</b></p> <p>The latest hyper-casual hit from BoomBit where you can live your wildest stuntman fantasies. This time they are about flying – not in the car, on the plane or even skiing but just like that, like a superhero. To be more precise, they involve flying attempts. Pluck up the courage, jump and see what happens!</p> <p><b>Main source of revenue: advertisements</b></p>	

<p><b>Cargo Truck Parking</b> (released on 21 April 2022)</p> 	<p><b>Hyper-casual</b></p> <p>It is not easy to be a truck driver. And this is not just about the weeks on the road, away from home. The true problem appears when you reach your destination – you need to park the beast somehow! Cargo Parking is a challenge of squeezing a huge truck into a parking space. It may sound simple but don't be fooled! The player can choose from a wide range of trucks which can be additionally modified.</p> <p><b>Main source of revenue: advertisements</b></p>	
---	--	--

## **2 Description of factors and events, also those of unusual nature, which had a significant impact on the consolidated financial statements**

There were no major unusual factors and events which significantly influence the consolidated financial statements. The other major factors and events are described in section 1.

## **3 Changes in the organisation of the issuer's group**

The changes in the organisation of the issuer's group are described in Note 2 of the consolidated interim condensed financial statements.

## **4 Position of the Board of Directors concerning the possibility of materialisation of the previously published profit/loss forecasts for the financial year**

The Board of Directors of BoomBit S.A. did not publish forecasts for 2021.

## **5 Shareholders holding at least 5% of votes at the General Meeting and the shares held by the managing and supervisory staff**

The shareholding structure of the Company as at 31 March 2021 and as at the publication date of this report, i.e. 26 May 2022:

	<b>Number of shares</b>	<b>Par value</b>
Class A – registered shares with preference as to votes (2 votes per share)	6,000,000	3,000,000
Class B – ordinary bearer shares	6,000,000	3,000,000
Class C – ordinary bearer shares	1,300,000	650,000
Class D – ordinary bearer shares	120,000	60,000
Class F – ordinary bearer shares	80,000	40,000
	<b>13,500,000</b>	<b>6,750,000</b>

	<b>Number of shares</b>	<b>Par value</b>	<b>Percentage of capital</b>	<b>Percentage of votes</b>
Karolina Szablewska-Olejczak	1,838,839	919,420	13.62%	14.56%
Marcin Olejczak	1,865,089	932,545	13.82%	14.69%
ATM Grupa SA	4,000,000	2,000,000	29.63%	30.77%
We Are One Ltd.*	3,725,000	1,862,500	27.59%	29.36%
Other shareholders	2,071,072	1,035,536	15.34%	10.62%
	<b>13,500,000</b>	<b>6,750,000</b>	<b>100.00%</b>	<b>100.00%</b>

\*100% of shares in We Are One Ltd. are held by Anibal Jose Da Cunha Saraiva Soares

## **6 Major litigations**

On 14 December 2020, the Company filed for an order to pay overdue amounts of EUR 214,000 (plus interest) against the Finnish contractor to the District Court in Pirkanmaa ("Court"). On 08 February 2021, the Court entered a default judgment for the Company and obligated the business partner to pay the debt. The judgment is not final but the business partner did not question the grounds for the payment in the case so far, which made it possible to initiate debt collection actions against the business partner, which were commenced in April 2021. On 17 June 2021, the business partner appealed against the decision of the Court (application for recovery). Until the appeal is reviewed by the Court, the enforcement actions have been suspended. In response to the appeal, the Company prepared an answer on 23 August 2021 where it presented the facts and pointed out that the appeal was filed past deadline, which was 10 May 2021. The court has set the hearing for 31 August 2022.

On 27 October 2021, the subsidiary TapNice Sp. z o.o. filed an application to the Head of the Third Tax authority in Gdańsk to confirm and return an overpayment of PLN 1.1 million arising from the corporate income tax settlements of

TapNice Sp. z o.o. for 2020 in the in connection with the application by the company of the provisions of the Polish Corporate Income Tax Act of 15 February 1992 which provide for a preferential tax rate of 5% for income received from qualifying intellectual property rights ("IP box"). The tax authority has not issued a decision on this matter by the date of this report.

Aside from the above case, none of the BoomBit Group companies is a party to any major cases pending in any court of law, arbitration court or public administration body regarding any amounts owed by or to BoomBit S.A. or its subsidiary.

#### **7 Transactions with affiliates**

Transactions with entities are described in Note 19 to the consolidated interim condensed financial statements. No contracts were signed within the group on any other than arm's length terms.

#### **8 Information of suretyships or guarantees**

The Group did not receive or give any suretyships or guarantees in the current reporting period.

#### **9 Other information that, in the Issuer's opinion, is significant in order to evaluate its human resources, assets, financial position and profit/loss and changes thereof, as well as any information considered significant in order to evaluate the Issuer's capacity to meet its obligations**

Mid-core games, mainly Home Royale and Darts Club, had a highly positive impact on the Group's results in the first quarter of 2022. Furthermore, the Group recorded stable performance of hyper-casual games due to the wide game portfolio and successful premiers of new games in this segment.

The Group's prospects in the current financial year are closely correlated with the revised strategy of the Group (Current Report ESPI 4/2022). In particular, the Group plans to further develop the area of hyper-casual, mid-core, casual and hybrid-casual games, both by publishing its own games and through collaborations with external developers, also through joint ventures. Furthermore, the Group will continue to port games to Nintendo Switch and plans to release games for other platforms (Steam); it also kept its existing portfolio of games in the genres where it is the leading developer, i.e. Driving Simulator and Bridge.

A new element of the strategy is to build competences in the area of Play-to-Earn games, where users are able to make actual money by progressing through the gameplay. Games of this type are based on the blockchain technology. The Group sees the high potential of this game monetisation method as an alternative to traditional methods (ads or micropayments). The Group is currently working on two independent projects of this type.

The Group is planning to further develop its human resources, mainly graphic designers, developers and blockchain specialists.

Furthermore, the development of the Group's structure and the launch of the shared services centre (in Mindsense Games sp. z o.o.) which took place at the beginning of 2022 to support the Group's companies in keeping the books and handling the HR & payroll tasks, the Group also develops its back office resources.

#### **Incentive schemes of the Group**

On 21 April 2022 the Extraordinary General Meeting of the Company adopted a resolution to launch incentive schemes for 2022-2024 for the Board of Directors, employees and contractors of the Company and of the Group's companies. The schemes (see also the description in Note 33 of the standalone financial statements for 2021 and Note 35 of the consolidated financial statements for 2021) are designed to tie the people whose contribution is essential for building the goodwill of the Company and the Group with the organisation in the long term.



In accordance with the adopted resolutions regarding the incentive scheme for the Board of Directors of the Company:

- The scheme will involve the issue of not more than 100,000 (one hundred) class D subscription warrants, which will give their beneficiaries the right to take up class G ordinary bearer shares of the Company, to be issued as a part of a conditional share capital increase.
- The warrants will be issued free of charge and the share issue price will be PLN 0.50 (fifty grosz) per share.
- Under the Incentive Scheme, the Participants will be granted a conditional right to take up the Warrants.
- The Incentive Scheme covers the 2022-2024 period, with the stipulation that it must be completed by 31 December 2025.

The Board of Directors of the Company believes that launching an incentive scheme where the Directors are allowed to take up, free of charge, class D subscription warrants of the Company which give them the right to acquire class G ordinary bearer shares for a price equal to their par value, which is PLN 0.50 per share, as proposed in the resolution of the Extraordinary General Meeting, will help further develop the Company and improve its performance as the Directors will stay motivated to achieve subsequent goals and will be tied to the Company and the Group in the long term.

According to the resolution regarding incentive scheme for the employees and contractors of the Company and the BoomBit Group's companies and on conditional increase of the Company's share capital with the pre-emptive rights of the existing shareholders excluded in their entirety in connection with issue of class H ordinary bearer shares on issue of class E subscription warrants with the pre-emptive rights of the existing shareholders excluded in their entirety, and on amendment of the Company's Articles of Association:

- The scheme will involve issuing of not more than 405,000 (four hundred and five) class E subscription warrants ("Warrants") giving their beneficiaries the right to take up class H ordinary bearer shares of the Company, to be issued as a part of a conditional share capital increase.
- The warrants will be issued free of charge and the share issue price will PLN 0.50 per share.
- Under the Incentive Scheme, the Participants will be granted a conditional right to take up the Warrants.
- The Incentive Scheme covers the 2022-2024 period, with the stipulation that it must be completed by 31 December 2025.

The Board of Directors of the Company believes that launching an incentive scheme where employees and contractors of the Company and of companies from the BoomBit Groups are allowed to take up, free of charge, class E subscription warrants of the Company which give them the right to acquire class H ordinary bearer shares for a price equal to their par value, which is PLN 0.50 per share, as proposed in the resolution of the Extraordinary General Meeting, will help further develop the Company and improve its performance as it will improve the performance of the employees and contractors of the Company and of companies from the BoomBit Group, it will tie them to the Company and the Group in the long term and it will improve the appeal of the Company in the labour market.

The conditional increase of the Company's share capital with fully excluded pre-emptive right of the existing shareholders in connection with the issue of class H ordinary bearer shares and issue of class E subscription warrants with fully excluded pre-emptive right of the existing shareholders as well as the amendment of the Articles of Association is designed to provide an incentive scheme for employees and contractors of the Company and of companies from the BoomBit Group in the wording as proposed in the draft resolution of the Extraordinary General Meeting on adopting an incentive scheme for employees and contractors of the Company and of companies from the



BoomBit Group an on conditional increase of the Company's share capital with fully excluded pre-emptive right of the existing shareholders in connection with the issue of class H ordinary bearer shares and issue of class E subscription warrants with fully excluded pre-emptive right of the existing shareholders as well as the amendment of the Articles of Association.

The full text of the incentive scheme is presented in the appendix to ESPI current report 13/2022 of 21 April 2022.

### **Political and economic issues**

On 24 February 2022, Russia invaded Ukraine and thus destabilised the political and economic situation in the region, which may adversely affect the Polish economic system. By the date of this report, the armed conflict in Ukraine has not had a material direct impact on the operations and profit/loss of the Group. The total share of the Ukrainian and Russian market in the revenue of the Company and the Group is not significant. The political and economic situation in Ukraine is monitored by the Group on an ongoing basis for its actual impact on the activity of the Group.

The Group hereby sees the following factors which may influence the markets and the Group's development prospects in subsequent quarters:

- a) weaker PLN exchange rate, which may affect the financial results of the Group,
- b) higher inflation dynamic.

### **Situation in the labour market**

The Group also identifies the growing salary pressure and competition in the labour market. This is the outcome of the increasingly common (especially in IT) home office work, which contributes to the growing trend of local employees being sought out by companies from various parts of the world. The high inflation in Poland and worldwide is an additional factor which also contributes to the increase of the market salaries of qualified specialists. Given the salary pressure and the fact that the Group hires specialists who receive pays in various currencies, both inflation and currency exchange rates are the issues that may affect the profit/loss of the Group.

### **Currency exchange rates**

Currency exchange rates may have a major impact on the development of the Group's activity in the current financial year. Since the sale of the Group's products is addressed to foreign markets (such as North America, Europe, Asia), the dominant accounting currencies in foreign transactions are USD, EUR and GBP. More than 85% employees and contractors of the Group are paid in PLN; as a consequence, the value of the Group's revenue is negatively correlated with the value of the Polish currency. Fewer than 15% employees and contractors receive salaries denominated in EUR, GBP and USD. In view of the foregoing, dynamic changes in currency exchange rates in 2022 may affect some of the presented items of the Group's consolidated financial statements.

### **Strategic options review connected with the potential sale of a major block of the Company's shares**

On 4 November 2021, the Company was informed by the Board of Directors of ATM Grupa S.A. ("ATM") that ATM had adopted a resolution on starting to review selected options of strategic importance to ATM in order to decide whether or not to sell all of the Company's shares held by ATM, including registered preference shares, in a single transaction with one industry or financial investor operating in a market similar to that of the Company.

ATM stated that it will be guided by the best interest of BoomBit S.A. in its decision regarding the sale of its shares of Company and regarding the buyer.

In connection with the information received from ATM about the strategic options review process aimed at deciding whether or not to sell or ATM's shares of the Company, the Board of Directors of the Company decided on 4 November 2021 to review its options of strategic importance which support the Company's further development. The purpose of the strategic options review is to choose the most favourable way of achieving the Company's long-term objective which is the Company's growth that is based on the strategy to date and leads to maximisation of value for current and future shareholders.

During the strategic options review, the Board of Directors considers various options, which include finding a strategic industry investor. In the process, to the extent permitted by the applicable laws, selected entities are provided with additional information about the Company.

The performance of the strategic options review by the Company depends on the actions taken by ATM.

Sale of a major block of the Company's shares by ATM and finding a new strategic investor may influence the development of the Company and the Group and their business. For now, the Company is unable to define the actual impact of a potential transaction on its development and determine whether such a transaction will be completed.

**10 Factors that the Issuer believes will influence its results for a period not shorter than the nearest quarter**

In at least the nearest quarter, the results will be influenced by the implementation of the Group's strategy, débuts of new games and the activities described in Note 9 above.

This condensed interim financial report for the 3 months ended 31 March 2022 was approved for publication on 25 May 2022.

---

Marcin Olejarz  
CEO

---

Anibal Jose Da Cunha Saraiva Soares  
Vice-President of the Board of Directors

---

Marek Pertkiewicz  
Director