

BOOMBIT



BOOMBIT S.A. GROUP CONSOLIDATED COMPLETE INTERIM QUARTERLY REPORT

for the 9 months ended on 30 September 2022

GDAŃSK, 28 NOVEMBER 2022

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I. LETTER FROM THE CEO

Dear Shareholders and Investors,

I hereby present the consolidated report summarizing the results and the most important disclosures regarding the activity of the BoomBit S.A. Company and Group in the first three quarters of 2022.

The most important events so far this year include primarily the stable high revenue from games, the development of the game portfolio and of new highly prospective initiatives which are intended as a major future addition to the business of the BoomBit Group.

The revenue of the Group in the period covered by these statements was almost PLN 222 million, which was 30% up from the same period in the previous year. This was mainly because of Mid-Core games, where the revenue was up by about 71% from last year. *Hunt Royale* and *Darts Club* have been the two most profitable titles so far this year, accounting for revenue of PLN 74 million. Hyper-Casual games earned over PLN 125 million and accounted for 55% of all the revenue of the BoomBit Group. The most famous titles in our portfolio, listed as our top games for at least a few months now, are: *Crazy Plane Landing*, *Construction Ramp Jumping* or games released this year: *Dog Life Simulator* and *Falling Art Ragdoll Simulator*. In the third quarter, the last game came second only to the unquestionable leader – *Hunt Royale*. We continue to develop our flagship Hyper-Casual and Mid-Core products, and we are planning to add several new exciting titles to our portfolio in the next few months.

The financial results I would like to mention are the EBITDA of PLN 11.8 million versus PLN 25.7 in same period of the previous year; and the net profit of PLN 9.4 million, which is down from the PLN 13.1 million the year before. Importantly, in 2022, the Group started working on projects involving games in the Play-and-Earn model based on the blockchain technology, which form a new and significant area of the Group's activity. Given the intense activity and the need to incur expenses in order to prepare the first titles, the results of that segment were charged to both EBITDA and the net profit in the amount of ca. PLN 4.4 million. In the recent months, we have signed major partnership agreements, we secured about USD 2.6 million for the development of those projects and we are intensely preparing to release the first games prepared by BoomLand and PlayEmber – our special-purpose vehicles based in the United Arab Emirates.

Our financial standing remains very good. We continue to perform well – we have positive cash flows and a safe cash balance, which was approximately PLN 33.5 million at the end of September, which is almost as much as at the end of 2021 and about 14% less than at the end of June. This was because of the dividend paid in July. In November, we informed our shareholders that we intended to pay the interim dividend for 2020 before the end of this year.

Our primary goal is to grow the BoomBit Group by capitalizing on our expertise and experience in the release and production of mobile games and by searching for new business diversification opportunities, examples being the ambitious plans related to the Play-and-Earn projects. Due to our good financial standing, we are also able to watch the market for other promising initiatives to be adapted to our business.

The full report is presented below.

Yours faithfully,

Marcin Olejarz

CEO of BoomBit S.A.

II. SELECTED FINANCIAL DATA FOR THE CONSOLIDATED COMPLETE INTERIM REPORT OF THE BOOMBIT S.A. GROUP FOR THE ENDED 30 SEPTEMBER 2022

Selected consolidated financial data

	9 months ended 30 September		9 months ended 30 September	
	2022 PLN '000 <i>(unaudited)</i>	2021 <i>(unaudited)</i>	2022 EUR '000 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Revenue on sales of services	221,692	171,185	47,289	37,553
Cost of sales	(202,979)	(148,516)	(43,298)	(32,580)
Gross profit/loss on sales	18,713	22,669	3,992	4,973
Operating profit/loss	11,060	16,059	2,359	3,523
Profit/loss before tax	9,084	15,617	1,938	3,426
Net profit/loss	7,682	12,759	1,639	2,799
Total comprehensive income	6,277	13,642	1,339	2,993
Total comprehensive income				
- attributable to shareholders of the parent	7,311	9,436	1,560	2,070
- attributable to minority interest	(1,034)	4,206	(221)	923
Profit/loss per share (in PLN/EUR) (basic)	0.65	0.64	0.14	0.14
Profit/loss per share (in PLN/EUR) (diluted)	0.65	0.64	0.14	0.14
Net cash flows from operating activity	19,074	25,479	4,069	5,589
Net cash flows from investment activity	(11,419)	(7,451)	(2,436)	(1,634)
Net cash flows from financial activity	(7,361)	(2,662)	(1,570)	(584)
Cash flows before exchange differences	294	15,366	63	3,371
Total net cash flows	253	15,338	54	3,365
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets	48,798	47,777	10,021	10,388
Current assets	80,599	71,853	16,550	15,622
Total assets	129,397	119,630	26,571	26,010
Equity attributable to shareholders of the parent	77,148	75,865	15,842	16,495
Equity attributable to minority interest	2,174	3,206	446	697
Total equity	79,322	79,071	16,289	17,192
Long-term liabilities	2,462	2979	506	648
Short-term liabilities	47,613	37,580	9,777	8,171
Total liabilities	50,075	40,559	10,283	8,818
Total equity and liabilities	129,397	119,630	26,571	26,010

Selected standalone financial data

	9 months ended 30 September		9 months ended 30 September	
	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	140,531	104,404	29,977	22,903
Cost of sales	(118,396)	(89,845)	(25,255)	(19,709)
Gross profit/loss on sales	22,135	14,559	4,722	3,194
Operating profit/loss	16,351	8,194	3,488	1,798
Profit/loss before tax	14,616	11,688	3,118	2,564
Net profit/loss	13,101	10,064	2,795	2,208
Total comprehensive income	13,101	10,064	2,795	2,208
Profit/loss per share (in PLN/EUR) (basic)	0.97	0.75	0.21	0.16
Profit/loss per share (in PLN/EUR) (diluted)	0.97	0.75	0.21	0.16
Net cash flows from operating activity	23,242	(2,660)	4,958	(584)
Net cash flows from investment activity	(7,987)	(5,756)	(1,704)	(1,263)
Net cash flows from financial activity	(7,360)	(82)	(1,570)	(18)
Cash flows before exchange differences	7,895	(8,498)	1,684	(1,865)
Total net cash flows	8,119	(8,497)	1,732	(1,864)
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets	39,021	42,873	8,013	9,321
Current assets	72,814	63,207	14,952	13,743
Total assets	111,835	106,080	22,965	23,064
Total equity	77,241	70,167	15,861	15,256
Long-term liabilities	2,569	3,167	528	689
Short-term liabilities	32,025	32,746	6,576	7,119
Total liabilities	34,594	35,913	7,104	7,808
Total equity and liabilities	111,835	106,080	22,965	23,064

The above financial data for nine months of 2022 and 2021 and for the periods ended 30 September 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 30 September 2022 – EUR/PLN 4.6880, and from 1 January to 30 September 2021 – EUR/PLN 4.5585;
- asset and liability items – according to the average exchange rate defined by the National Bank of Poland (NBP) for 31 March 2022 – EUR/PLN 4.8698, and for 31 December 2021 – EUR/PLN 4.5994.

**III. CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS OF THE BOOMBIT S.A. GROUP
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

Consolidated condensed interim statement of comprehensive income

	Note	For the 9 months ended 30 September		For the 3 months ended 30 September	
		2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>	2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Revenue on sales of services	8	221,692	171,185	73,624	57,614
Cost of sales	9	(202,979)	(148,516)	(66,662)	(51,606)
Gross profit/loss on sales		18713	22,669	6,962	6,008
General administrative costs	9	(12,073)	(7,272)	(3,971)	(2,455)
Other operating revenue		4,788	665	2,972	536
Other operating costs		(368)	(3)	(294)	(1)
Operating profit/loss		11,060	16,059	5,669	4,088
Financial revenue		168	68	(51)	27
Financial costs		(2,144)	(510)	(1,087)	(18)
Profit/loss before tax		9,084	15,617	4,531	4,097
Income tax	10	(1,402)	(2,858)	(1,079)	(748)
Net profit/loss		7,682	12,759	3,452	3,349
Other comprehensive income					
Items that may be reclassified to profit/loss in the future:					
Exchange differences		(1,405)	883	(895)	268
Total comprehensive income		6,277	13,642	2,557	3,617
- attributable to shareholders of the parent		7,311	9,436	3,311	2,954
- attributable to minority interest		(1,034)	4,206	(754)	1,023
Net profit/loss					
- attributable to shareholders of the parent		8,716	8,553	4,206	2,326
- attributable to minority interest		(1,034)	4,206	(754)	1,023
Profit/loss per share attributable to shareholders of the parent during the period (expressed as PLN per share)					
Basic	15	0.65	0.64	0.31	0.17
on continued operations		0.65	0.64	0.31	0.17
on discontinued operations		-	-	-	-
Diluted	15	0.65	0.64	0.31	0.17
on continued operations		0.65	0.64	0.31	0.17
on discontinued operations		-	-	-	-

Consolidated condensed interim statement of financial position

		30 September	31 December
		2022	2021
		<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets			
Property, plant and equipment		1,606	1,338
Development costs	11	22,302	18,934
Goodwill	12	16,425	16,230
Shares	17	3,509	6,483
Other financial assets	17	2,305	3,303
Deferred income tax asset		2,651	1,489
		48,798	47,777
Current assets			
Trade and other receivables	17	38,522	38,548
Income tax receivables		60	10
Cryptographic assets	13	8,469	-
Cash and cash equivalents	17	33,548	33,295
Current assets other than tangible assets held for sale		80,599	71,853
Assets held for sale		-	-
Current assets		80,599	71,853
Total assets		129,397	119,630
Equity			
Equity attributable to shareholders of the parent			
Share capital	14	6,750	6,710
Capital from share premium		32,063	32,063
Exchange differences on translation of foreign operations		1,485	2,890
Equity from share-based payments	21	5,165	3,788
Retained earnings		31,685	30,414
		77,148	75,865
Equity attributable to minority interest		2,174	3,206
Total equity		79,322	79,071
Liabilities			
Long-term liabilities			
Deferred income tax liabilities		2,378	2,933
Other financial liabilities	17	84	46
		2,462	2,979
Short-term liabilities			
Other financial liabilities	17	9,760	576
Trade and other liabilities	17	34,358	34,376
Income tax liabilities		3,495	2,628
Short-term liabilities not held for sale		47,613	37,580
Short-term liabilities held for sale		-	-
Short-term liabilities		47,613	37,580
Total liabilities		50,075	40,559
Total equity and liabilities		129,397	119,630

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
As at 1 January 2022 (audited)		6,710	32,063	2,890	3,788	30,414	75,865	3,206	79,071
Net profit (loss)		-	-	-	-	8,716	8716	(1,034)	7,682
Other comprehensive income		-	-	(1,405)	-	-	(1,405)	-	(1,405)
Comprehensive income		-	-	(1,405)	-	8,716	7,311	(1,034)	6,277
Capital increase		40	-	-	-	-	40	-	40
Increase (reduction) arising from acquisition of a subsidiary		-	-	-	-	(1)	(1)	2	1
Disbursements to owners		-	-	-	-	(7,444)	(7,444)	-	(7,444)
Share-based payments	21	-	-	-	1,377	-	1,377	-	1,377
Changes in equity		40	-	(1,405)	1,377	1,271	1,283	(1,032)	251
As at 30 September 2022 (unaudited)		6,750	32,063	1,485	5,165	31,685	77,148	2,174	79,322

	Note	Share capital	Capital from share premium	Exchange differences	Equity from share-based payments	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
As at 01 January 2021 (audited)		6,710	32,063	1,433	3,247	21,311	64,764	2,058	66,822
Net profit (loss)		-	-	-	-	8,553	8,553	4,206	12,759
Other comprehensive income		-	-	883	-	-	883	-	883
Comprehensive income		-	-	883	-	8,553	9,436	4,206	13,642
Increase (reduction) arising from sale of a subsidiary		-	-	-	-	(683)	(683)	684	1
Disbursements to owners		-	-	-	-	(3,221)	(3,221)	(2,610)	(5,831)
Share-based payments	21	-	-	-	485	-	485	-	485
Changes in equity		-	-	883	485	4,649	6,017	2,280	8,297
As at 30 September 2021 (unaudited)		6,710	32,063	2,316	3,732	25,960	70,781	4,338	75,119

Consolidated condensed interim cash flow statement

		9 months ended	
		30 September	
	Note	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Profit/loss before tax		9,084	15,617
Adjustments:		12,192	12,324
Depreciation and amortization	9	9,444	9,597
Foreign exchange profit (loss)		(1,853)	109
Interest revenue		(91)	-
Interest cost		14	51
Profit (loss) on investment activities		5	11
Impairment losses on receivables and other financial assets		1,222	-
Change in the balance of receivables	19	21	(13,593)
Change in liabilities, except for loans and borrowings	19	9,623	15,255
Settlement of share-based payment costs	21	1,377	904
Change in cryptographic assets		(8,469)	-
Profit (loss) from fair value measurement		899	-
Other adjustments from operating activities		-	(10)
Operating net cash flow		21,276	27,941
Income tax (paid) / refunded		(2,202)	(2,462)
Net cash flows from operating activity		19,074	25,479
Investment activity			
Sale of property, plant and equipment and intangible assets		1	5
Sale of shares		1,593	-
Acquisition of subsidiaries		1	(10)
Acquisition of property, plant and equipment and intangible assets		(707)	(316)
Development costs	11	(12,307)	(7,100)
Loans granted		-	(30)
Net cash flows from investment activity		(11,419)	(7,451)
Financial activity			
Capital increase		40	-
Proceeds from loans and borrowings		-	30
Proceeds from lease		189	-
Dividends		(7,444)	(2,610)
Repayment of lease liabilities		(132)	(77)
Interest		(14)	(5)
Net cash flows from financial activity		(7,361)	(2,662)
Cash flows before exchange differences		294	15,366
Net foreign exchange differences on cash and cash equivalents		(41)	(28)
Total net cash flows		253	15,338
Cash opening balance		33,295	20,748
Cash closing balance, including:		33,548	36,086
- 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 nine months ended 30 September 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:	Publishing of computer games
Registration entity, KRS number (number in Polish register of companies) and registration date:	Gdansk-Polnoc District Court in Gdansk, 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-Olejarz, 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 Gdansk before notary public Adam Wasak on 08 July 2010, 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 Gdansk 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-Olejarz – Chairwoman of the Supervisory Board
- Marcin Chmielewski – Supervisory Board Member
- Wojciech Napiorkowski – Supervisory Board Member
- Szymon Okon – 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	Description of the capital tie / Consolidation method	% of ownership and voting rights	Control/Co-control start date
BoomBit S.A.	Gdansk, 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 February 2018
BoomBit Inc.	Las Vegas, USA	publishing of computer games	subsidiary/full	100% - through BoomBit Games	28 February 2018
Play With Games Ltd.	London, United Kingdom	publishing of computer games	subsidiary/full	100%	30 March 2018
PixelMob Sp. z o.o.	Gdansk, Poland	publishing of computer games	subsidiary/full	100%	28 February 2018
TapNice S.A..	Gdansk, Poland	development and publishing of computer games	subsidiary/full	60%	16 October 2018
BoomHits Sp. z o.o.	Gdansk, Poland	development and publishing of computer games	subsidiary/full	100%	16 October 2018
MoonDrip Sp. z o.o.	Gdansk, Poland	development and publishing of computer games	joint venture/equity method	50%	22 June 2018
Mindsense Games Sp. z o.o.*	Gdansk, Poland	publishing of computer games	subsidiary/full	100%	28 February 2018
ADC Games Sp. z o.o.	Gdansk, Poland	development and publishing of computer games	subsidiary/full	50%	23 February 2021
Maisly Games Sp. z o.o.	Gdansk, Poland	development and publishing of computer games	subsidiary/full	100%	28 May 2021
SkyLoft Sp. z o.o.	Gdynia, Poland	development and publishing of computer games	subsidiary/full	50% - through BoomHits	24 August 2021
PlayEmber Sp. z o.o.	Gdansk, Poland	publishing of computer games	subsidiary/full	50% - through ADC Games	06 September 2021
BoomPick Sp. z o.o. (former PlayHolding Sp. z o.o.)	Gdynia, Poland	development and publishing of computer games	subsidiary/full	60%	21 February 2022
BoomLand FZ-LLC	Rakez, United Arab Emirates	implementation of blockchain-based projects	subsidiary/full	0%	06 May 2022
PlayEmber FZ-LLC	Rakez, United Arab Emirates	implementation of blockchain-based projects	subsidiary/full	0%	17 June 2022

* Starting from 2022, the Company acts as a shared services center for the Company in terms of bookkeeping and HR and payroll.

- 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 Sp. z o.o. The company is engaged in the business of creating and publishing casual games, especially of the merge and simulator types.
- 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.

On 30 June 2022, the Company signed 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 organizational structure) under the laws of the United Arab Emirates (or any other jurisdiction agreed between the parties), who will act in the area of tokenization, block-chain based games, and the NFT ("Entity"). According to the contractual arrangements, the Company will cover the Entity incorporation and functioning costs and intends to become the only shareholder thereof on the terms set forth in the contract. The Company has 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 is 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. Any important actions regarding the Entity shall be taken in coordination with and with permission from the Company.

- PlayEmber FZ-LLC was founded on 17 June 2022. The company was incorporated under the laws of the United Arab Emirates. The only shareholder is Hugo Furneaux ("Shareholder"), a Director of ADC Games sp. z o.o. ("ADC"). The purpose of the company is to run blockchain-based projects.

On 18 August 2022, the ADC signed an investment contract with the Shareholder ("Investment Contract") to define the terms of creating an entity (or group of entities forming a part of the organizational structure) under the laws of the United Arab Emirates (or any other jurisdiction agreed between the parties), who will act in the area of tokenization, block-chain based games, and the NFT ("Entity"). According to the contractual arrangements, ADC will cover the Entity incorporation and functioning costs and intends to become the only shareholder thereof on the terms set forth in the contract. ADC has a right to acquire 100% of shares in the Entity's share capital from the Shareholder of the Shareholders Directors for the price of the share capital paid plus USD 100. The offer to sell 100% of the Entity's shares to ADC is irrevocable, unconditional, and unqualified. Within the 18 months following the conclusion of the investment Contract, ADC will be able to accept or reject the offer to acquire 100% of the Entity's shares. Any important actions regarding the Entity shall be taken in coordination with and with permission from ADC.

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 condensed consolidated 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.

These 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, which is 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.

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 sales 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 defense 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 condensed consolidated 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

The accounting principles (policies) adopted for preparing these interim condensed consolidated financial statements are consistent with the principles applied for preparing the Group's consolidated annual financial statements for the year ended on 31 December 2021, except for:

- the application of new standards and changes to standards and changes to the accounting principles applied by the Group as described below and
 - Accounting principles related to cryptographic assets and the blockchain-based projects described in note 3.3.
- 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 01 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 Information, 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 condensed consolidated 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 has already been published but is not yet effective under the EU laws.

3.3 Accounting principles related to cryptographic assets and blockchain-based projects

Revenue

Revenue from a blockchain platform comes from the payments made by its users as it enables them to use games and their features. In order to acquire a feature in a blockchain game, the customer should have a token, which is purchased through payments made with cryptocurrencies or in exchange other non-monetary consideration, such as services of external advisors connected with blockchain platform development.

According to the Group, the contract with the customer involves one service performance obligation, which is to deliver a specific feature in a game available from the blockchain platform.

The Group recognizes the revenue at a specific point in time, which is when it enables the user to make a full use of the game feature, which happens when the following conditions are met:

- a token has been provided to the customer (such as the token is registered in the customer's virtual wallet), and
- the game is available to the public and is developed to an extent allowing the users to redeem the assigned tokens in order to receive the game features promised at the moment of token assignment.

If the Group has distributed tokens to customers but has not provided a fully functional platform yet, the non-monetary consideration obtained from the sale of the tokens is classified as contract liabilities.

The non-monetary payment received in the form of cryptocurrencies is measured by the Group at fair value as at the contract date. The fair value is established based on the cryptocurrency prices quoted in active market and denominated in the fiduciary currency.

In the period before the tokens are generally available and before the blockchain platform is made available to the customers, the Group offers the tokens for sale to selected recipients:

- private investors, who buy tokens for the transaction price denominated in cryptocurrencies; the fair value of the payment received is determined based on the cryptocurrency prices quoted in active markets;
- third-party service providers to whom the Group will assign a specific number of tokens in exchange for their services (such as development of the blockchain platform). In order to estimate the value of the services received, the Group applies the token fair value denominated in cryptocurrencies as established in transactions with the private investors.

For the above transactions, the Group measures the non-monetary payment according to the cryptocurrency fair value as at the contract date. The contract liability recognized on that account is not updated to account for subsequent changes in the fair value of the non-monetary payment.

Cryptographic assets

In accordance with the IAS 8.10, as there is no IFRS which would directly apply to the recognition and measurement of cryptographic assets, the Group has developed and adopted its own accounting principles in this respect.

The Group classifies any acquired or received cryptocurrencies/tokens as cryptographic assets. Cryptographic assets are classified as current assets because the Group uses them on an ongoing basis by translating them to the fiduciary currency or settling the liabilities arising in the normal operating cycle. The Group expects to redeem its cryptographic assets within 12 months following the reporting period.

The Group believes that the cryptographic assets do not have a defined useful life and as such they are not amortized and are tested for impairment once a year or more often if any events or changes to circumstances suggest possible impairment. If the fair value is lower than the book value, the Group immediately recognizes an impairment loss. The Group treats the current quotations in the active market as the fair value.

Impairment losses are disclosed in the comprehensive income in other operating costs.

If the Group recognizes, in the process of changing the cryptographic assets to fiduciary currencies or settling its obligations, a profit/loss on that account, it includes it in comprehensive income as other operating revenue/costs.

The disbursement of cryptographic assets is settled on the FIFO (first in, first out) basis.

Development costs – blockchain

Assets recognized as development costs are connected with costs incurred by the Group:

- to create a blockchain platform.

A blockchain platform is a virtual ecosystem for games in the Play-and-Earn model. Games of this type are based on the blockchain technology.

- as development cost of incomplete work – games in the Play-and-Earn model.

Costs of uncompleted development work for games in the Play-and-Earn model are governed by the same rules as those that apply to games in the Free-to-Play model (moment of cost capitalization, measurement, etc.). The rules were described in the consolidated financial statements of the Group for the year ended on 31 December 2021.

Development work for the blockchain platform

Costs of development work in progress are reclassified to costs of completed development work at the moment of hard launch, i.e. the moment when the asset has its main functionalities, satisfactory levels of quality ratios, and is released in the global market.

3.4 Changes to the estimates 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.

4 Professional judgment and material estimates

Preparing the Group's consolidated financial statements requires the Board of Directors of the parent to make judgments, 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 judgments 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 31 December 2021.

Impairment of cash generating units and single assets

The Group has analyzed potential grounds for impairment of material tangible assets, such as development costs and shares in other parties. The analysis did not reveal a need for impairment losses, except as described in note 17.

5 Business seasonality

The Group's business is not seasonal.

6 Operating segments

In 2022, the Group started working on projects involving games in the Play-and-Earn model based on the blockchain technology, which form a new and important area of the Group's activity. Projects of this type are run by subsidiaries:

- BoomLand FZ-LLC – a blockchain/metaverse platform where Play-and-Earn games are to be released
- PlayEmber FZ-LLC – a tool (SDK) for combining traditional Free-to-Play mobile games with a blockchain platform.
- In view of the foregoing, the Board of Directors identified two operating segments for the in accordance with the IFRS 8 Operating Segments:
- Production and release of games in the Free-to-Play and Premium model (for mobile devices, consoles, PC)
- Production and release of games in the Play-and-Earn model which are based on the blockchain technology

Since the projects did not start before 2022, there are no comparative periods for the above operating segments.

The Board of Directors assesses the activity of the operating segments mainly based on the EBITDA (operating profit/loss plus amortization) and the net profit. The Board of Directors also receives information about the revenue and assets of the segments.

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

The transactions between segments are settled on arm's length terms.

The main item in the assets of Play-and-Earn games is cost of development work and cryptographic assets:

- BoomLand FZ-LLC – a blockchain/metaverse platform where Play-and-Earn games are to be released (more at boomland.io). So far, the Company has signed SAFTs (Simple Agreements for Future Tokens) for the sale of \$BOOM tokens for a total of USD 571,000 (payment in USDC and USDT tokens);
- PlayEmber FZ-LLC – a tool (SDK) for combining traditional Free-to-Play mobile games with the blockchain platform (more detail – playember.com). The Company signed the SAFTs for the sale of \$EMBR tokens and a business agreement with the NEAR Foundation for a total of about USD 2.05 million (payment in the USDC and NEAR tokens).

(All amounts given in thousand zloty (PLN '000) unless specified otherwise)

In connection with the cryptographic assets received under the SAFTs, the Group recognized the obligations under these agreements (see the accounting principles in note 3.3).

Revenue, EBITDA and net profit/loss of the segments

	9 months ended			
	30 September 2022			
	Mobile games	Play-and-Earn games	Intercompany adjustments	Consolidated data
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
External sales	221,658	34	-	221,692
Internal Group sales	-	-	-	-
Sales revenue	221,658	34	-	221,692
Gross profit/loss on sales	21,014	(2,301)	-	18,713
Operating profit/loss	15,439	(4,379)	-	11,060
Depreciation and amortization	(9,444)	-	-	(9,444)
EBITDA	24,883	(4,379)	-	20,504
Financial revenue/expenses	(1,953)	(23)	(8)	(1,984)
Net profit/loss	12,092	(4,402)	(8)	7,682

Assets of the segments

	30 September 2022			
	Mobile games	Play-and-Earn games	Intercompany adjustments	Consolidated data
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Development costs	19,569	2733	-	22,302
Other tangible assets	26,496	-	-	26,496
Tangible assets	46,065	2733	-	48,798
Cash	33,548	-	-	33,548
Cryptographic assets	-	8,469	-	8,469
Other current assets	39,832	227	(1,477)	38,582
Current assets	73,380	8696	(1,477)	80,599
Total assets	119,445	11429	(1,477)	129,397

Liabilities of the segments

	30 September 2022			
	Mobile games	Play-and-Earn games	Intercompany adjustments	Consolidated data
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Long-term liabilities	2,462	-	-	2,462
Short-term liabilities	37,333	11757	(1,477)	47,613
Total liabilities	39,795	11757	(1,477)	50,075

The assets and liabilities as at 31 December 2021 did not include the mobile games segment.

7 Restatement of comparative 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 others 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 rather 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 nine 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

Before the restatement	After the restatement	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
As at 1 January 2021 (audited)	As at 1 January 2021 (audited)	6,710	32,063	1,433	3,247	21,311	64,764	2,058	66,822
	Net profit (loss)					8,553	8,553	4,206	12,759
	Other comprehensive income			883			883		883
Comprehensive income	Comprehensive income	-	-	883	-	8,553	9,436	4,206	13,642
Sale of shares	Increase (reduction) arising from sale of a subsidiary	-	-	-	-	(686)	(686)	686	-
Purchase settlement	Increase (reduction) arising from sale of a subsidiary	-	-	-	-	3	3	(2)	1
Resolution on profit sharing	Disbursements to owners	-	-	-	-		-	(2,610)	(2,610)
Resolution on interim dividend payment	Disbursements to owners					(3,221)	(3,221)		(3,221)
Share-based payments	Share-based payments	-	-	-	485	-	485	-	485
Changes in equity	Changes in equity	-	-	883	485	4,649	6,017	2,280	8,297
As at 30 September 2021 (unaudited)	As at 30 September 2021 (unaudited)	6,710	32,063	2,316	3,732	25,960	70,781	4,338	75,119

Consolidated cash flow statement

	Before the restatement	Change	After the restatement
	For the 9 months ended 30 September	For the 9 months ended 30 September	For the 9 months ended 30 September
	2021	2021	2021
Profit/loss before tax	15,617	-	15,617
Adjustments:	9,862	-	12,324
Depreciation and amortization	9,597	-	9,597
Foreign exchange profit (loss)	109	-	109
Interest	51	(51)	-
Revenue on interest	-	-	-
Interest cost	-	51	51
Profit (loss) on investment activities	11	-	11
Change in the balance of receivables	(13,593)	-	(13,593)
Change in liabilities	15,255	-	15,255
Settlement of share-based payment costs	419	485	904
Share-based payments	485	(485)	-
Other adjustments	(10)	-	(10)
Cash flows from activity		-	27,941
Income tax (paid) / refunded	(2,462)	-	(2,462)
Net cash flows from operating activity	25,479	-	25,479
Investment activity			
Sale of property, plant and equipment and intangible assets	5	-	5
Acquisition of a company	(16)	16	-
Cash from acquisition of companies	6	(6)	-
Acquisition of subsidiaries		(10)	(10)
Acquisition of property, plant and equipment and intangible assets	(316)	-	(316)
Development costs	(7,100)	-	(7,100)
Loans granted	(30)	-	(30)
Dividend payments to minority interest shareholders	(2,610)	2,610	-
Net cash flows from investment activity	(10,061)	2,610	(7,451)
Financial activity			
Proceeds from loans and borrowings	30	-	30
Dividends	-	(2,610)	(2,610)
Repayment of lease liabilities	(77)	-	(77)
Interest	(5)	-	(5)
Net cash flows from financial activity	(52)	(2,610)	(2,662)
Cash flows before exchange differences	15,366	-	15,366

Net foreign exchange differences on cash and cash equivalents	(28)	-	(28)
Total net cash flows		-	15,338
Cash opening balance	20,748	-	20,748
Cash closing balance, including:	36,086	-	36,086
- of limited disposability	-	-	-

8 Sales revenue

Sources of revenue

	9 months ended 30 September			
	2022		2021	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Micropayments and sale of digital copies	62,856	28%	34,442	20%
Advertising	157,089	71%	136,126	80%
Other	1,747	1%	617	0%
	221,692	100%	171,185	100%
<i>including:</i>				
<i>Platforms (distribution)</i>	219,945	99%	170,568	100%

Platforms (distribution)

	9 months ended 30 September			
	2022		2021	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Android	128,808	59%	94,228	55%
iOS	88,820	40%	73,756	43%
other	2,317	1%	2,584	2%
	219,945	100%	170,568	100%

Geographic data

	9 months ended 30 September			
	2022		2021	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
North America	80,351	37%	89,063	52%
Europe	58,599	27%	46,185	27%
Asia	69,115	31%	24,588	14%
Australia & Oceania	3,952	2%	4,723	3%
South America	7,228	3%	5,053	2%
Africa	700	0%	956	2%
	219,945	100%	170,568	100%

Leading business partners

	9 months ended 30 September			
	2022 <i>(unaudited)</i>		2021 <i>(unaudited)</i>	
Applovin	48,271	22%	16,259	9%
Google	34,822	16%	17,956	10%
AdMob	27,718	13%	28,602	17%
Apple	25,801	12%	13,948	8%
Facebook	20,401	9%	39,655	23%
Unity Technologies	16,126	7%	16,507	10%
IronSource	12,741	6%	15,930	9%
Adlogic Technology	12,196	6%	32	0%
Fyber Monetization	7,595	3%	8,955	5%
Vungle	3,447	1%	3,143	2%
Pangle TikTok	3,065	1%	3,029	2%
Ad4Game Ireland	2,363	1%	-	0%
Nintendo	2,228	1%	2,522	2%
AdColony	1,428	1%	310	0%
Others	3,490	1%	4,337	3%
	221,692	100%	171,185	100%

9 Cost of sales

	9 months ended 30 September	
	2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Depreciation and amortization	9,444	9,597
Materials and energy consumption	421	251
Third-party services	203,287	144,150
<i>Commissions of distribution platforms</i>	<i>17,793</i>	<i>10,146</i>
<i>User acquisition costs</i>	<i>131,516</i>	<i>98,282</i>
<i>Rev share costs</i>	<i>19,564</i>	<i>10,463</i>
Taxes and levies	243	189
Salaries	11,995	8,584
Social security and other benefits	1,837	1,224
Other costs by type	398	82
Total costs by type	227,625	164,077
Development costs	(12,573)	(8,289)
General administrative costs	(12,073)	(7,272)
Cost of sales	202,979	148,516

10 Income tax

	9 months ended 30 September	
	2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Gross profit	9,084	15,617
Theoretical tax calculated according to domestic rates that apply to income in Poland (19%)	(1,726)	(2,967)
Difference on tax according to another rate	(477)	121
Non-tax-deductible costs	(751)	(114)
<i>including: costs of incentive schemes</i>	<i>(48)</i>	<i>(92)</i>
Exchange differences	(3)	6
Revenues not included in the tax base	366	43
CIT adjustments related to previous years	1,189	53
Charge on the financial result on account of income tax	(1,402)	(2,858)
effective tax rate	15.4%	18.3%

In the current reporting period BoomBit S.A. filed a 2021 income tax return where it took into account the impact of the calculated research & development tax relief and the IP Box tax relief, the impact of both on the income tax for 2021 totaling PLN 1,486,000. PLN. Due to the uncertainty as to the final amount of the IP Box tax relief for 2021, the Group did not include this calculation in the income tax calculation in the preparation of the financial statements for 2021. The difference between the current income tax for 2021 calculated for the financial statements and its actual amount of PLN 1,335,000 stated in the tax return filed to the Tax Authority was charged to the income tax disclosed in the profit and loss account in the current reporting period.

Due to the application of tax reliefs, the Group's effective tax rate is lower than the nominal tax rate (19%) and is 15.4%.

11 Development costs

	Com pleted development work - Games	Com pleted development work – support tools	Patents and licenses	Inco mplete development works (assets in progress)	Total
As at 1 January 2022 (audited)					
Cost	37,199	16,388	-	2,238	55,825
Amortization to date	(24,238)	(9,522)	-	-	(33,760)
Impairment losses	(3,083)	(48)	-	-	(3,131)
Net value	9,878	6818	-	2,238	18,934
Increases*	-	-	-	12,307	12,307
Gross sales/liquidation	(490)	-	-	-	(490)
Sales/liquidation total amortization	476	-	-	-	476
Transfer between categories	5,450	1,639	-	(7,089)	-
Transfer between categories – total amortization	34	(34)	-	-	-
Exchange differences on translation	(4)	(26)	-	110	80
Depreciation and amortization	(6,826)	(2,179)	-	-	(9,005)
As at 30 September 2022 (unaudited)					
Cost	42,155	18,001	-	7,566	67,722
Amortization to date	(30,554)	(11,735)	-	-	(42,289)
Impairment losses	(3,083)	(48)	-	-	(3,131)
Net value	8,518	6,218	-	7,566	22,302

* 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 266,000.

Development costs for the nine months ended 30 September 2022 include expenses on outsourced services of PLN 9,397,000 and expenses on salaries and the related contributions of PLN 2,910,000. The expenses were reduced by the soft launch revenue of PLN 266,000. Amortization of completed development works is fully charged to the cost of sales.

	Com pleted development work - Games	Com pleted development work – support tools	Patents and licenses	Inco mplete development works (assets in progress)	Total
As at 1 January 2021 (audited)					
Cost	44,779	14,370	88	9,593	68,830
Amortization to date	(28,249)	(6,710)	(88)	-	(35,047)
Impairment losses	(3,481)	(652)	-	(8,488)	(12,621)
Net value	13,049	7,008	-	1,105	21,162
Increases*	-	-	-	7,100	7,100
	4,166	2,305	-	(6,471)	-
Exchange differences on translation	3	20	-	43	66
Depreciation and amortization	(7,000)	(2,153)	-	-	(9,153)
As at 30 September 2021 (unaudited)					
Cost	48,948	16,695	88	10,265	75,996
Amortization to date	(35,249)	(8,863)	(88)	-	(44,200)
Impairment losses	(3,481)	(652)	-	(8,488)	(12,621)
Net value	10,218	7,180	-	1,777	19,175

* 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 1,189,000.

** The presentation of transfer between categories was adjusted by PLN 1,356,000 through transfer of this value from 'Completed development work – Games' to 'Incomplete development work (assets in progress).'

Development costs for the nine months ended 30 September 2021 include expenses on outsourced services of PLN 6,281,000 and expenses on salaries and the related contributions of PLN 2,008,000. The expenses were reduced by the soft launch revenue of PLN 1,189,000.

Amortization of completed development works is fully charged to cost of sales.

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 195,000.

	Goodwill	Computer software	Other	Total
As at 1 January 2022 (audited)				
Cost	16,230	-	-	16,230
Amortization to date	-	-	-	-
Net value	16,230	-	-	16,230
Exchange differences	195	-	-	195
As at 30 September 2022 (unaudited)				
Cost	16,425	-	-	16,425
Amortization to date	-	-	-	-
Net value	16,425	-	-	16,425

	Goodwill	Computer software	Other	Total
As at 1 January 2021 (audited)				
Cost	15,203	61	25	15,289
Amortization to date	-	(61)	(25)	(86)
Net value	15,203	-	-	15,203
Increases	10	-	-	10
Exchange differences	672	-	-	672
As at 30 September 2021 (unaudited)				
Cost	15,885	61	25	15,971
Amortization to date	-	(61)	(25)	(86)
Net value	15,885	-	-	15,885

13 Cryptographic assets

The Group has the following cryptographic assets as at 30 September 2022:

	30 September 2022	31 December 2021
USDC cryptocurrencies	7,551	-
NEAR cryptocurrencies	917	-
Other	1	-
	8,469	-

In the reporting period, cryptocurrency impairment losses of PLN 280,000 were recognized in respect of the cryptocurrency market value and charged to other operating costs.

14 Capital and equity

At the beginning of the period covered by 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
	13,420,000	6,710,000

	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 SA	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%
	13,420,000	6,710,000	100.00%	100.00%

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

The Company's share capital and shareholding structure as at the balance sheet date and as at the publication date of these condensed consolidated financial statements 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
	13,500,000	6,750,000

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejzarz	1,838,839	919,420	13.62%	14.56%
Marcin Olejarz	1,867,850	932,545	13.82%	14.71%
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	2,068,311	1,035,536	15.34%	10.61%
	13,500,000	6,750,000	100.00%	100.00%

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

15 Earnings per share

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

	9 months ended 30 September	
	2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Net profit/loss for shareholders of the parent (PLN '000)	8,716	8,553
Number of shares* (as single shares)	13,470,667	13,420,000
Earnings per share – basic (in PLN)	0.65	0.64

* 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:

	9 months ended 30 September	
	2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Net profit/loss for shareholders of the parent (PLN '000)	8,716	8,553
Number of shares* (as single shares)	13,504,412	13,420,000
Earnings per share – diluted (in PLN)	0.65	0.64

* Weighted average hypothetical number of shares in the reporting period

16 Dividends

On 10 June 2022, the Annual General Meeting adopted a resolution on fully allocating the Company's net profit for 2021 of PLN 10,665,000 for dividend and PLN 1,710 for the Company's spare capital.

An interim dividend of PLN 3,221,000 was paid on 11 November 2021 and the remainder on 18 July 2022.

On 09 November 2022, the Board of Directors adopted a resolution on paying the dividend for 2022 in the amount of PLN 0.28 per share, which totals PLN 3,780,000. The interim will be paid to the Company's shareholders on 21 December 2022. The interim dividend will cover 13,500,000 of Company shares.

17 Financial instruments by type

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

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

	30 September 2022	31 December 2021
	<i>(unaudited)</i>	<i>(audited)</i>
Assets measured at amortized cost		
Trade receivables	30,002	30,384
Other financial assets	2,305	3,303
Cash and cash equivalents	33,548	33,295
	65,855	66,982
Financial assets measured at fair value through profit or loss		
Interests and shares in other entities	3,509	6,483
	3,509	6,483
Financial assets	69,364	73,465
	30 September 2022	31 December 2021
	<i>(unaudited)</i>	<i>(audited)</i>
Liabilities measured at amortized cost		
Trade liabilities	31,651	31,699
Lease liabilities	103	-
Other financial liabilities	9,844	146
	41,598	31,845
Liabilities measured at fair value through profit or loss		
Call option for SuperScale Sp. z o.o. shares	-	476
	-	476

Financial instruments measured at amortized cost

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

- the loans granted by the parent to the co-controlled company Moondrip Sp. z o.o. PLN 1,077,000 was utilized by the end date of the current reporting period. PLN The loan interest rate is 3M WIBOR plus margin. The agreed loan repayment date was set as 30 June 2023. The Group recognized an impairment loss of 100% on this receivable.
- EUR 452,000 of loans granted to SuperScale (interest rate 3M EURIBOR plus margin). An agreement regarding the loan was signed on 17 August 2020 whereby they were to be repaid within the five years following the conclusion of the Investment Contract, which is by 17 August 2025.

As other financial liabilities as at 31 December 2021 and 30 September 2022, the Group discloses:

- a lease liability of PLN 217,000 (PLN 84,000 disclosed as a long-term liability as at the balance sheet date and PLN 146,000 as a long-term liability at the end of the benchmarking period, including a long-term liability of PLN 46,000). The liabilities pertain to car rental contracts. The contracts were disclosed as other financial liability and a right of use (in tangible assets).
- liability related to the blockchain segment:

- for the concluded SAFTs (which is simple agreement for future tokens) of PLN 9,002,000. SAFT deposits were made in cryptographic assets – in USDC and NEAR.
- financial liabilities of PLN 625,000 on account of loans received. The loans were granted to finance the marketing campaigns to promote the project and BoomLand FZ-LLC. The loans were granted in cryptographic assets – BUSD and USDT.

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 1M WIBOR plus margin. The overdraft facility was secured with a mortgage over the Company's assets. The carrying value of the secured assets was PLN 936,000 as at 30 September 2022. The overdraft facility was not utilized by the reporting period end date.

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 SuperScale shares (Level 2) was established based on the price of exercising a call option for the Level-Up First S.à.r.l. fund to acquire 112 SuperScale shares. The option was exercised in February 2022. As a result of restatement, the value of the shares dropped by PLN 899,000. PLN

Impairment of financial assets

As at the balance sheet date, the Group verified loans granted and receivables for expected credit losses (ECL) as required by IFRS 9. As a result of the group 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 recognize it in these financial statements.

An individual analysis conducted for loans and receivables from affiliates demonstrated the existence of grounds for impairment of the loans and receivables granted to the co-controlled company Moondrip Sp. z o.o. ("Moondrip") in connection with the decision made by the board of directors of that company to continue the works on the game Moondrip Racing. The decision was made because the game monetization parameters obtained during tests were below expectations. As a result, the Board of Directors of the Company decided to apply impairment losses on its financial assets held in Moondrip in the full amount, i.e. PLN 1,222,000, of which PLN 1,217,000 was attributed to the loan granted and PLN 5,000 to trade receivables.

The Group also has a collateral securing the more than overdue receivable from a foreign business partner, a Finnish game producer ("business partner"). As at 30 September 2022, the receivable from the business partner was EUR 195,000 (PLN 951,000). The Group has a collateral for this receivable, described in detail in Note 18.

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 favor of the Company in a default judgment on 08 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. Another hearing took place on 31 August 2022, where the Court upheld its decision dated 08 February 2022. On 25 November 2022, the Company was informed that the Court opened restructuring proceedings against the business partner. Until the date hereof, as a part of the debt collection activities completed so far, the Company recovered EUR 46,000.

Furthermore, since two years have passed since the conclusion of the Investment Contract (see Note 18), the Company requested SuperScale to pay EUR 107,000, which is 50% of the outstanding amount. The Company received this amount on 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 condensed interim financial statements, the estimated impairment loss on that account would be insignificant so the Board of Directors decided not to recognize it herein.

18 Contingent liabilities and assets

No material contingent assets or liabilities occurred either on the reporting period end date or on the benchmarking period end date, except as described below.

The Group had a contingent asset as at 01 January 2022. The asset was a collateral for trade receivables from a foreign business partner ("business partner"). The collateral was established based on the contract between SuperScale Sp. z o.o. and the Company on 01 April 2019. The collateral covers 100% of the receivables plus the accrued interest. Under the investment contract dated 17 August 2020 regarding the terms of the investment in SuperScale ("Investment Contract"), the parties agreed that in the period of two 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 are not met after the period of two years, SuperScale will have to pay the Company only 50% of the unpaid amounts owed by the business partner. As at the reporting period, the receivable from the business partner was EUR 195,000 (interest excluded), which is PLN 951,000.

Since two years have passed since the conclusion of the Investment Contract, the Company requested SuperScale to pay EUR 107,000, which is 50% of the outstanding amount. The Company received this amount on 31 August 2022.

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 which resulted in a mortgage lien being established on the Group's property. On 31 March 2022, the carrying value of the assets used as the collateral was PLN 936,000.

19 Note to consolidated cash flow statement

	For the 9 months ended	
	30 September	
	2022	2021
	<i>(unaudited)</i>	<i>(unaudited)</i>
Receivables		
Change of balance arising from the consolidated statement of financial position	1,024	(13,178)
- changes in allowances for receivables and loans	(1,222)	
- change in the balance of loans	219	-
- receivables acquired through acquisitions	-	4
- change in cost settlements for share-based payments	-	(419)
Change in receivables arising from the consolidated cash flow statement	21	(13,593)
Liabilities		
Change of balance arising from the consolidated statement of financial position	9,204	18,433
- change in the balance of liability for loans received	-	(30)
- liabilities acquired through acquisitions	-	(4)
- change in dividend liabilities	-	(3,221)
- balance change because of exercise of the call option	476	-
- change in lease liabilities	(57)	77
Change in liabilities arising from the consolidated cash flow statement	9,623	15255

20 Transactions with affiliates

Goods and services are acquired from affiliates at arm's 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 nine months ended 30 September 2022, settlements and transactions with affiliates were as follows:

	Trade receivables and other loans	Loans granted	Loans received	Revenue	Purchase	Liabilities and other loans
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Joint ventures						
MoonDrip Sp. z o.o.*	-	-	-	68	-	-
Parties with significant influence						
Karolina Szablewska-Olejzarz	1	-	-	2	170	-
Marcin Olejarz	1	-	-	9	-	-
Anibal Soares	-	-	625	-	-	-
Marek Pertkiewicz	-	-	-	6	-	-
Grzegorz Reglinski	-	-	-	-	57	11
	2	-	625	85	227	11

* A 100% impairment loss was recognized on the receivable from MoonDrip, i.e. PLN 5,000 on receivables and PLN 1,217,000 on loan granted with interest.

As at 31 December 2021 and for the nine months ended 30 September 2021, settlements and transactions with affiliates were as follows:

	Trade receivables and other loans	Loans granted	Loans received	Revenue	Purchase	Liabilities and other loans
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Joint ventures						
MoonDrip Sp. z o.o.	4	1,154	-	34	-	-
Parties with significant influence						
Karolina Szablewska-Olejarz	1	-	-	2	157	-
Marcin Olejarz	1	-	-	9	-	6
Marek Pertkiewicz	-	-	-	6	-	-
Grzegorz Reglinski	-	-	-	-	12	11
	6	1,154	-	51	169	17

Salaries of governing bodies and key management

	30 September	
	2022	2021
	<i>(unaudited)</i>	<i>(unaudited)</i>
Salaries		
Salaries and other benefits for the Directors, including:	5,873	1,300
Board of Directors of the parent company, including:	5,795	1,281
- provisions for bonuses for the Directors	1,125	-
- dividend for the previous year	3,075	-
Board of Directors of other entities	78	19
Salaries and other benefits for the Supervisory Board, including:	1,264	234
- dividend for the previous year	1,011	-
Salaries of key management	277	822
	7,414	2,356

21 Share-based payments

The Group currently has the following share-based incentive schemes:

- On 21 February 2019, the Company's General Meeting adopted a resolution on the issue of 120,000 registered subscription warrants and their release to Ms. Kathee Chimowitz ("Beneficiary") 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 warrants will be offered in two tranches:
 - 80,000 – 14 days after the approval date of the Company's financial statements for the financial year 2020,
 - 40,000 – 14 days after the approval date of the Company's financial statements for the financial year 2021.

On 12 April 2022, 80,000 class F Company shares were assigned, issued as a part of a conditional share capital increase. 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.

40,000 subscription warrants were registered for the Beneficiary on 31 August 2022 as the second tranche.

- 2 An Extraordinary General Meeting of the Company was held on 21 April 2022 and it adopted resolutions as regards adopting the following incentive schemes.

Scheme 1

Incentive scheme 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:

$W = D / (10 \times B)$, where:

- W – total number of warrants available to the participants,
- D – amount allocated for dividend in the given as a profit distribution resolution of the General Meeting,
- B – the average closing price of Company shares in the three months preceding the date of the resolution on profit distribution in a given year of the incentive scheme.

The amount of the provision recognized on that account in the current reporting period was PLN 1,125,000 and was disclosed in other capitals.

Scheme 2

An incentive scheme for 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.

The warrant pricing was based on the Black-Scholes model, with the following assumptions:

- price of shares at the moment of price determination (22 April 2022) – PLN 14.62,
- warrant exercise price – PLN 0.50,
- expected variability – 48.11%,
- dividend rate – 6.50%,
- risk-free interest rate – 6.58%,
- expected exercise date – 1 July 2025.

The amount of the provision recognized on that account in the current reporting period was PLN 142,000.

22 Subsequent events

- On 30 October 2022, the Company signed a contract with IronSource Mobile Ltd based in Tel Aviv ("Contract"). The Contract involves ad mediation services for current mobile games for which the Company and entities controlled directly or indirectly by the Issuer are the publishers, as well as future games released during the Contract term on iOS and Android by the aforesaid entities. This Contract became effective on the day it was signed by both Parties.
The Contract does not apply to any mobile games which are not published by the Company and by entities controlled directly or indirectly by the Company or to any games created and/or maintained in any blockchain technology.
The Contract is open-ended. The Company received a one-off payment for the performance of the Contract ("Integration Fee"). The Integration Fee exceeded 10% of the revenue disclosed in the consolidated financial statements of the Company for the first six months of 2022. In return for the Integration Fee, the Company undertakes to maintain a specific percentage of revenue earned from advertising through the mediation of IronSource Mobile Ltd ("Advertising Revenue") for at least 24 months after attaining the Advertising Revenue percentage specified in the Contract ("Required Period"). The Company undertook to commence and complete the integration with the SDK (software development kit) of IronSource Mobile Ltd as soon as possible following the effective date of the Contract but not later than by 01 March 2023. If the Company is in Contract default, the Integration Fee will be returned pro rata to the number of months when the Company was in default during the Required Period.
- On 07 November 2022, the subsidiary BoomLand FZ-LLC signed a SAFT (Simple Agreement for Future Tokens) for the sale of \$BOOM tokens for USD 150,000 (payment in USDT tokens).
- On 09 November 2022, the Board of Directors adopted a resolution on paying the dividend for 2022 in the amount of PLN 0.28 per share, which totals PLN 3,780,000. The interim dividend will be paid to the Company's shareholders on 21 December 2022. The interim dividend will cover 13,500,000 Company shares.

**IV. BOOMBIT S.A. STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2022**

Standalone condensed interim statement of comprehensive income

	9 months ended 30 September		3 months ended 30 September	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
Revenue on sales	140,531	104,404	49,251	38,754
Cost of sales	(118,396)	(89,845)	(39,417)	(32,612)
Gross profit/loss on sales	22,135	14,559	9,834	6,142
General administrative costs	(8,888)	(6,631)	(3,381)	(2,223)
Other operating revenue	3,902	268	1,323	265
Other operating costs	(798)	(2)	(17)	279
Operating profit/loss	16,351	8,194	7,759	4,463
Financial revenue	415	3,983	199	27
Financial costs	(2,150)	(489)	(1,244)	(2)
Profit/loss before tax	14,616	11,688	6,714	4,488
Income tax	(1,515)	(1,624)	(1,297)	(884)
Net profit/loss	13,101	10,064	5,417	3,604
Other comprehensive income	-	-	-	-
Total comprehensive income	13,101	10,064	5,417	3,604
Earnings per share (in PLN)				
Basic	0.97	0.75	0.40	0.27
on continued operations	0.97	0.75	0.40	0.27
on discontinued operations	-	-	-	-
Diluted	0.97	0.75	0.40	0.27
on continued operations	0.97	0.75	0.40	0.27
on discontinued operations	-	-	-	-

Standalone condensed interim statement of financial position

	30 September	31 December
	2022	2021
	<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets		
Property, plant and equipment	1,554	1,338
Development costs	17,171	17,458
Shares	14,808	17,797
Other financial assets	5,488	6,280
	<u>39,021</u>	<u>42,873</u>
Current assets		
Trade and other receivables	56,802	57,508
Other financial assets	2,347	153
Cash and cash equivalents	13,665	5,546
Current assets other than tangible assets held for sale	<u>72,814</u>	<u>63,207</u>
Assets held for sale	-	-
Current assets	<u>72,814</u>	<u>63,207</u>
Total assets	<u>111,835</u>	<u>106,080</u>
Equity		
Equity attributable to shareholders of the parent		
Share capital	6,750	6,710
Capital from share premium	32,064	32,064
Equity from share-based payments	5,165	3,788
Retained earnings	33,262	27,605
Total equity	<u>77,241</u>	<u>70,167</u>
Liabilities		
Long-term liabilities		
Deferred income tax liabilities	2,485	3,121
Other financial liabilities	84	46
	<u>2,569</u>	<u>3,167</u>
Short-term liabilities		
Other financial liabilities	120	576
Trade and other liabilities	28,685	30,550
Income tax liabilities	3,220	1,620
	<u>32,025</u>	<u>32,746</u>
Short-term liabilities not held for sale	<u>32,025</u>	<u>32,746</u>
Short-term liabilities held for sale	-	-
Short-term liabilities	<u>32,025</u>	<u>32,746</u>
Total liabilities	<u>34,594</u>	<u>35,913</u>
Total equity and liabilities	<u>111,835</u>	<u>106,080</u>

	Share capital	Capital from share premium	Other capitals	Retained earnings	Total
As at 1 January 2022 (audited)	6,710	32,064	3,788	27,605	70,167
Net profit (loss)	-	-	-	13,101	13,101
Other comprehensive income	-	-	-	-	-
Comprehensive income	-	-	-	13,101	13,101
Capital increase	40	-	-	-	40
Disbursements to owners	-	-	-	(7,444)	(7,444)
Tax effect recognized in equity	-	-	-	-	-
Share-based payments	-	-	1,377	-	1,377
Changes in equity	40	-	1,377	5,657	7,074
As at 30 September 2022 (unaudited)	6,750	32,064	5,165	33,262	77,241
As at 1 January 2021 (audited)	6,710	32,064	3,247	18,450	60,471
Net profit (loss)	-	-	-	10,064	10,064
Comprehensive income	-	-	-	10,064	10,064
Capital increase	-	-	-	-	-
Disbursements to owners	-	-	-	(3,221)	(3,221)
Tax effect recognized in equity	-	-	-	-	-
Share-based payments	-	-	485	-	485
Changes in equity	-	-	485	6,843	7,328
As at 30 September 2021 (unaudited)	6,710	32,064	3,732	25,293	67,799

Standalone condensed interim cash flow statement

	9 months ended	
	30 September	
	2022	2021
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit/loss before tax	14,616	11688
Adjustments:	9,177	(14,153)
Depreciation and amortization	7,625	9,033
Foreign exchange profit (loss)	(559)	(23)
Interest revenue	(364)	(68)
Interest cost	14	5
Dividends received	-	(3,915)
Profit (loss) on investment activities	(25)	6
Change in the balance of receivables	110	(35,431)
Change in liabilities	(1,865)	15,336
Settlement of share-based payment costs	1,377	904
Profit (loss) from fair value measurement	919	-
Revaluation write-down on	1,945	-
Cash flows from activity	23,793	(2,465)
Income tax (paid) / refunded	(551)	(195)
Net cash flows from operating activity	23,242	(2,660)
Investment activity		
Sale of property, plant and equipment and intangible assets	31	-
Proceeds from repayment of loans granted	1,086	179
Interest received	2	11
Sale of subsidiaries	3	3
Sale of other shares	1,593	-
Acquisition of subsidiaries	(8)	(66)
Acquisition of property, plant and equipment, and intangible assets	(598)	(243)
Development costs	(6,970)	(7,219)
Loans granted	(3,126)	(2,336)
Dividends received	-	3,915
Net cash flows from investment activity	(7,987)	(5,756)
Financial activity		
Capital increase	40	-
Dividends	(7,444)	-
Proceeds from lease received	190	-
Repayment of lease liabilities	(132)	(77)
Interest	(14)	(5)
Net cash flows from financial activity	(7,360)	(82)
Cash flows before exchange differences	7,895	(8,498)
Net foreign exchange differences on cash and cash equivalents	224	1
Total net cash flows	8,119	(8,497)
Cash opening balance	5,546	15626
Cash closing balance, including:	13,665	7129
- of limited disposability	-	-

V. MANAGEMENT REPORT FOR BOOMBIT S.A. FOR THE 9 MONTHS ENDED 30 SEPTEMBER 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

	Q3 9 months 2021	Q3 9 months 2021	Q1 2022	Q2 2022	Q3 9 months 2022	Q3 9 months 2022	change 9 months of 2022 vs 9 months of 2021	% change 9 months of 2022 vs 9 months of 2021
Revenue, including:	57,614	171,185	66,153	81,915	73,624	221,692	50,507	30%
Micropayments and sales of digital copies	12,453	34,442	18,917	22,233	21,706	62,856	28,414	82%
Advertising	44,948	136,126	46,341	59,201	51,547	157,089	20,963	15%
Main variable costs:	40,272	117,806	49,687	63,369	55,296	168,352	50,546	43%
Commissions of platforms	3,400	9,994	4,882	6,469	6,426	17,777	7,783	78%
User Acquisition*	32,636	97,349	39,229	50,173	41,609	131,011	33,662	35%
Rev share	4,236	10,463	5,576	6,727	7,261	19,564	9,101	87%
Revenue minus main variable costs	17,342	53,379	16,466	18,546	18,328	53,340	(39)	0%
EBITDA	7,234	25,656	6,037	5,729	8,738	20,504	(5,152)	-20%
Financial revenue/expenses	9	(442)	21	(859)	(1,138)	(1,976)	(1,34)	347%
NET PROFIT/LOSS	3,349	12,759	2,273	1,957	3,452	7,682	(5,077)	-40%
One-off events**	-	476	-	899	1,222	2,121	1,645	346%
Current/deferred tax on one-time events	-	(91)	-	(171)	(232)	(403)	(312)	343%
Adjusted EBITDA	7,234	25,656	6,037	5,729	8,738	20,504	(5,152)	-20%
NET PROFIT/LOSS corrected	3,349	13,144	2,273	2,685	4,442	9,400	(3,744)	-28%
<i>minority interest</i>	<i>1,23</i>	<i>4,206</i>	<i>33</i>	<i>(313)</i>	<i>(754)</i>	<i>(1,034)</i>	<i>(5,240)</i>	<i>-125%</i>

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

** In 2021 – measurement of the call option for Level-Up First S.à.r.l. for purchase of 112 SuperScale shares from the Company. In 2022 – fair value measurement of the Superscale Sp. z o.o. shares and write off of the loan and receivables from Moondrip Sp. z o.o.

In the period covered by this report, the Group's total revenue (PLN 221.7 million) was 30% up versus the same period in the previous year (PLN 171.2 million). The growth was driven mainly by Mid-Core games – if we compare the nine months ended on 30 September 2022 and the same period of 2021, the revenue from those games was up by approximately 71%. This led to a major increase in revenue from micropayments, which was PLN 62.9 million in the current period (82% up YoY). Revenue from advertisements were PLN 157.1 million, which was up by 15% versus the same period in the previous year. The growth of the USD/PLN exchange rate in 2022 was yet another factor beneficial for the Group's performance in the current period.

The increase in revenue on games was accompanied by an increase in cost of sales. The cost of sales in the analyzed period of 2022 was PLN 203.0 million, which was PLN 54.5 million (37%) up from the same period in 2021 (PLN 148.5 million). The increase resulted mainly from the higher User Acquisition costs, which were PLN 131.0 million

and were PLN 33.7 million (i.e. 35%) up from the same period in 2021. From a nominal perspective, the costs of rev share and platform commissions also increased while the share of those costs in relation to revenue remained similar to that in the same period of the previous year.

In the current reporting period, the Group was also involved in blockchain-based projects, pursued through the new companies in the Group's structure, which are BoomLand FZ-LLC and PlayEmber FZ-LLC. The total expenses incurred in connection with the execution of the projects in the nine months ended on 30 September 2022 was PLN 6.9 million, of which PLN 4.2 million was recognized in the profit and loss account (there were no expenses on that account in the benchmarking period).

The growing scale and scope of the Group's business and the growing portfolio of games were accompanied by higher staff costs, recognized in cost of sales, which were PLN 14.7 million in the current period – PLN 1.8 million up from the same period in the previous year. The increase arises from the higher game prototyping costs and higher maintenance costs of existing games when compared to the same period in the previous year. In accordance with the Group's accounting policy, game maintenance costs are charged to the profit and loss account. Furthermore, the Group incurred PLN 0.6 million of staff costs in the analyzed period, which were charged to cost of sales, in connection with the development of the blockchain projects. The Group continued to work with foreign developer teams, whose non-capitalized costs of production were PLN 7.1 million in the current period (vs PLN 5.7 in the first nine months of 2021). General administrative costs increased by 66% YoY, which was by PLN 4.8 million versus the same period in the previous year when they were PLN 12.1 million. This growth was caused mainly by blockchain project development costs of PLN 1.8 million, which consisted of the costs of incorporating the companies in the United Arab Emirates, the costs of law firms, and the costs of recruiting blockchain specialists. Furthermore, a provision related to the incentive schemes launched by the Company in 2022 was charged to the costs of the current period. The total amount on this account, fully charged to general administrative costs, was PLN 1.3 million.

EBITDA (calculated as operating result less depreciation) was PLN 20.5 million in the current period (versus the PLN 25.7 million in the previous year), while net profit adjusted by one-off events was PLN 9.4 million (versus the PLN 13.1 in same period last year).

The effective tax rate of the Group was 15.4% in the analyzed rate – a YoY drop from 18.3%. The change arises mainly from the inclusion of the IP Box tax relief of PLN 1.3 million in the tax return for 2022.

The Group's total assets as at 30 September 2022 were PLN 129.4 million, which is PLN 9.8 million up from 2021. The growth of assets was caused mainly by the cryptographic assets, worth PLN 8.5 million. The Group had no cryptographic assets as at 31 December 2021. Moreover, development costs changed. The closing balance of the item for the analyzed period was PLN 22.3 million, which was more by 3.4 million than the balance on 31 December 2021. The increase is mostly the outcome of higher outlays on Mid-Core and Casual games. The value of shares in other entities dropped. The balance on 30 September 2022 was PLN 3.5 million vs PLN 6.5 million on 31 December 2021. The drop pertains to SuperScale Sp. z o.o. shares and is linked to the exercise of the call option and the restatement to fair value.

As far as liabilities are concerned, the total liabilities were PLN 50.1 million, which was a PLN 9.5 million increase versus the balance at the end of December 2021. The increase results from the change in financial liabilities (PLN 9.2 up) which was related especially to the blockchain segment; the obligations under the SAFTs for a total of PLN 9 million formed the most significant item of such liabilities.

1.2 Area of game development and publishing

By the date of this the report, the Group and its affiliates released a total of 22 games on iOS and Android – of which 19 are Hyper-Casual games and three are Mid-Core games – and 31 games released 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>Shopping Sort (released on 07 February 2022)</p> 	<p>Hyper-Casual</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 skillfully can take advantage of promo codes and make a deal of a lifetime.</p> <p>Main source of revenue: advertising</p>	
<p>Grass Master (released on 11 February 2022)</p> 	<p>Hyper-Casual</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>Main source of revenue: advertising</p>	



Hyper-Casual

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. Players make a number of decisions to shape the life of their pets.

Main source of revenue: advertising



Mid-Core

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 or she 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!

Main source of revenue: micropayments and advertisements



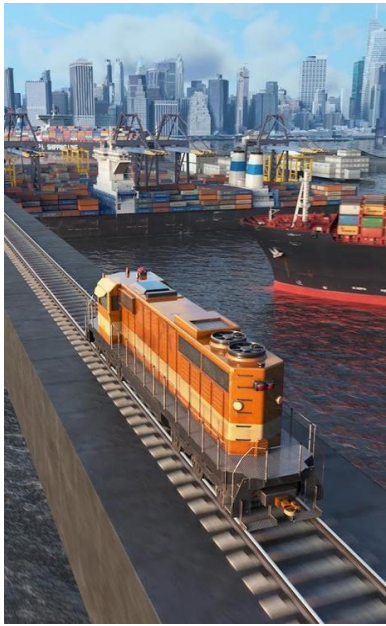
Train Ramp Jumping
 (released on 08 March 2022)



Hyper-Casual

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!

Main source of revenue: advertising



Bank Job: Idle Business
 (released on 08 April 2022)




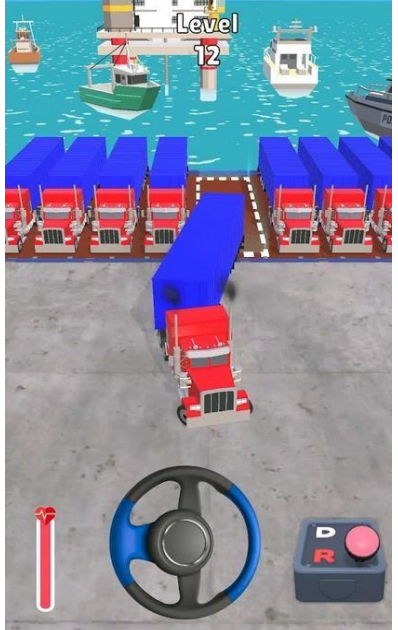


Hyper-Casual

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.

Main source of revenue: advertising



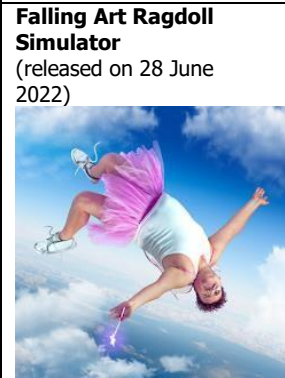
<p>Try to Fly (released on 11 April 2022)</p> 	<p>Hyper-Casual</p> <p>The latest hyper-casual hit from BoomBit where you can live your wildest stuntperson fantasies. This time they are about flying – not in the car, on the plane or even skiing; but just like that, like a superhero. To be more precise, they involve flying attempts. Pluck up the courage, jump and see what happens!</p> <p>Main source of revenue: advertising</p>	
<p>Cargo Truck Parking (released on 21 April 2022)</p> 	<p>Hyper-Casual</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 Truck Parking is the 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>Main source of revenue: advertising</p>	



Hyper-Casual

Surviving a zombie apocalypse is not easy, as you know from various films and other works of culture. To have a chance in a fight with an invasion of the undead, you need inventiveness, courage and perseverance. All three of those characteristics are also useful in Hyper Survive 3D! Players must take care of their equipment and survival center in the battle with the enemy hordes.

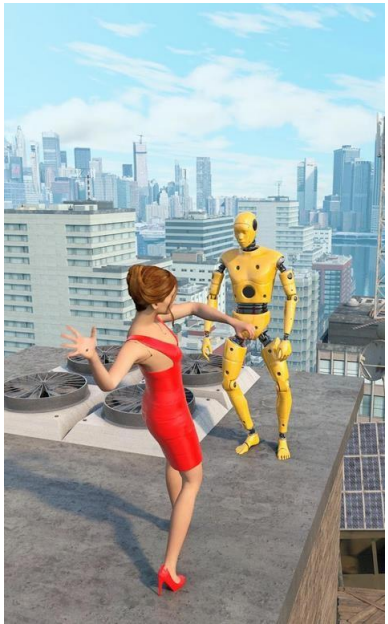
Main source of revenue: advertising



Hyper-Casual

The joy of falling? Definitely! Falling Art is the game of exposing various characters to spectacular falls from heights. With the physics engine, observe realistic reactions of rag dolls without remorse – they are just three-dimensional models!

Main source of revenue: advertising



<p>Stuntman Ragdoll Action Movie (released on 12 September 2022)</p> 	<p>Hyper-Casual</p> <p>It's not easy to be a stuntman. Become one and experience film scenes alluding to the greatest film classics! Spectacular crashes, aerial evolutions and remarkable fights. All in the name of entertainment. After all, the viewer is always right!</p> <p>Main source of revenue: advertising</p>	
<p>Plane Emergency Landing (released on 12 September 2022)</p> 	<p>Hyper-Casual</p> <p>Is the pilot on board? It doesn't seem like it! A crash is inevitable so how can you crash with style? The player sits behind the controls of various aircraft and does not have to worry about landing. After all, it's just a game! What matters is style and spectacular crashing!</p> <p>Main source of revenue: advertising</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 had a significant impact on the consolidated financial statements. The other major factors and events are described in section 1.

3 Changes in the organization of the issuer's group

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

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

The Board of Directors of BoomBit S.A. did not publish forecasts for 2022.

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

Shareholders with at least 5% of votes at the General Meeting as at the publication date of this quarterly report (28 November 2022):

	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,838,839	2,838,839	13.62%	14.56%
Marcin Olejarz	1,867,850	2,867,850	13.82%	14.71%
ATM Grupa S.A.	4,000,000	6,000,000	29.63%	30.77%
We Are One Ltd.*	3,725,000	5,725,000	27.59%	29.36%
Other shareholders	2,068,311	2,068,311	15.34%	10.61%
	13,500,000	19,500,000	100.00%	100.00%

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

Mr. Marcin Olejarz – the Issuer's CEO acquired 1,565 shares on 09 June 2022 and 1,196 shares on 10 June 2022 (ESPI current report no. 22/2022).

Shareholders with at least 5% of votes at the General Meeting as at the publication date of the previous interim report, which is the report for Q2 2022:

	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,838,839	2,838,839	13.62%	14.56%
Marcin Olejarz	1,867,850	2,867,850	13.82%	14.71%
ATM Grupa S.A.	4,000,000	6,000,000	29.63%	30.77%
We Are One Ltd.*	3,725,000	5,725,000	27.59%	29.36%
Other shareholders	2,068,311	2,068,311	15.34%	10.61%
	13,500,000	19,500,000	100.00%	100.00%

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

The shareholding by the management and supervisory staff is revealed in the above table (the other Directors and Supervisory Boards Members do not hold shares or rights thereto).

6 Major litigations

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 favor of the Company in a default judgment on 08 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 initiated 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. Another hearing took place on 31 August 2022, where the Court upheld its decision dated 08 February 2022. On 25 November 2022, the Company was informed that the Court opened restructuring proceedings against the business partner. Until the date hereof, as a part of the debt collection activities completed so far, the Company recovered EUR 46,000.

On 27 October 2021, the subsidiary TapNice Sp. z o.o. filed an application to the Head of the Third Tax authority in Gdansk 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 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 cases, 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 subsidiaries.

7 Transactions with affiliates

Transactions with entities are described in Note 19 to the condensed consolidated interim 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 *Hunt Royale* and *Darts Club*, had a highly positive impact on the Group's results in the first nine months of 2022 as they accounted for about 36% of revenue (vs. 26% in the same period of 2021). Furthermore, the Group recorded satisfactory performance of Hyper-Casual games due to the wide game portfolio, despite few major premières. Revenue from Hyper-Casual games accounted for approximately 57% of the total revenue (vs. approximately 67% in the same period of the previous year).

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 *Build a Bridge*.

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

- BoomLand FZ-LLC – a blockchain/metaverse platform where Play-and-Earn games are to be released (more at boomland.io). So far, the Company has signed SAFTs (Simple Agreements for Future Tokens) for the sale of \$BOOM tokens for a total of USD 621,000 (payment in USDC and USDT tokens);
- PlayEmber FZ-LLC – a tool (SDK) for combining traditional Free-to-Play mobile games with the blockchain platform (more detail – playember.com). The Company signed the SAFTs for the sale of \$EMBR tokens and a business agreement with the NEAR Foundation for a total of about USD 2.05 million (payment in the USDC and NEAR tokens).

Furthermore, for the development of the Group's structure and scale, a shared services center was set up at the Group (in Mindsense Games sp. z o.o.) at the beginning of 2022 to support the Group's companies in keeping the books and handling the HR and payroll tasks.

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 18 of the condensed standalone interim financial statements for period ended 30 June 2022 and Note 21 of the condensed consolidated interim financial statements for the period ended 30 June 2022) are designed to tie the people whose contribution is essential for building the goodwill of the Company and the Group with the organization 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 thousand) 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 thousand) 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 labor 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 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.

Situation in the labor market

The Group also identifies the growing salary pressure and competition in the labor 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 exchanges 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 80% 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 20% 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 favorable 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 maximization 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.

Signing the ad mediation contract

On 30 October 2022, the Company signed a contract with IronSource Mobile Ltd based in Tel Aviv ("Contract"). The Contract involves ad mediation services for current mobile games for which the Company and its affiliates are the publishers, as well as future games released during the Contract term on iOS and Android. This Contract became effective on the day it was signed by both Parties.

The Contract does not apply to any mobile games which are not published by the Company and its affiliates or to any games created and/or maintained in any blockchain technology.

The Contract is concluded for an indefinite period. The Company will receive a one-off payment for the performance of the Contract – the "Integration Fee." The Integration Fee exceeds 10% of the revenue disclosed in the consolidated financial statements of the Company for the first six months of 2022. In return for the Integration Fee, the Company undertakes to maintain a specific percentage of revenue earned from advertising through the mediation of IronSource Mobile Ltd ("Advertising Revenue") for at least 24 months after attaining the Advertising Revenue percentage specified in the Contract ("Required Period").

The Company undertook to commence and complete the integration with the SDK (software development kit) of IronSource Mobile Ltd as soon as possible following the effective date of the Contract but not later than by 01 March 2023.

The Integration Fee will be paid promptly after the Contract is signed. If the Company is in Contract default, the Integration Fee will be returned pro rata to the number of months when the Company was in default during the Required Period.

10 Factors which the issuer believes to influence its performance for a period not shorter than the next 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 complete consolidated interim report for the nine months ended 30 September 2022 was approved for publication on 28 November 2022.

Marcin Olejarz
CEO

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

Marek Pertkiewicz
Director