



BOOMBIT

BOOMBIT S.A. GROUP COMPLETE CONSOLIDATED SEMI-ANNUAL REPORT

for the 6 months ended 30 June 2023

GDAŃSK, 25 SEPTEMBER 2023

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I. LETTER FROM THE CEO

I hereby present the report summarizing the results and the most important disclosures regarding the activity of the BoomBit S.A. Company and Group in the first six months of 2023.

The first six months of 2023 is a period of changes, both on the mobile games market and in the BoomBit Group. In terms of the market, this period was marked by worse economy in mobile advertising, which resulted in lower income from our marketing campaigns, and by a higher market entry threshold for new games, especially ones that were based exclusively on advertising. For our Group, the last six months meant a shift of emphasis from Hyper-Casual games to Casual and Mid-Code games. This is visible in our performance. In the first six months, our Mid-Code and Casual games, mainly Hunt Royale and Darts Club, made 19% more than the year before. In the same period, revenue from Hyper-Casual games was down by 41%. As a result, sales revenue was over PLN 128 million – 13% down from last year.

In Q2, our performance was affected by the fair value measurement of SuperScale s.r.o. shares in connection with the financial round completed in June where the Company received almost EUR 5 million. This resulted in the revaluation of our shares up by PLN 10 million. Once the impact of one-time events was eliminated, our consolidated adjusted EBITDA in the first six months of 2023 was PLN 6.4 million, while the consolidated adjusted net profit/loss was PLN - 0.07 million. Please note that just in the segment of mobile games the figures were PLN 11.1 million for EBITDA and PLN 4.7 million of net profit/loss.

We have been involved in blockchain-based projects for over a year now. After many months of works, our flagship title Hunters On-Chain made its debut on the Polygon MainNet in the early access mode. The game was very well received by players and was met with interest in the Web3 environment, with highly promising preliminary KPIs. Out of the major events which are expected to happen in the nearest future, I must mention the issue of the \$BOOM token scheduled for Q2 2023.

Out of our recent new initiatives I should mention that we have taken the steps to commercialize some of our original tools in the area of BI, user acquisition support or marketing creations (playable ads). Our most recent joint venture is the company Mobile Esports, a creator of a free-to-play platform that offers its users a possibility of participating in competitions with real prizes. We believe that they will be a good addition to our current activity and a source of extra revenue.

We closely monitor market trends, which is why we have been focusing more and more on the growing portfolio of Mid-Code and Casual games and intensely developing our publishing activity in this segment. This year we have already signed 7 publishing agreements and many games are currently at the test stage. We expect the first titles resulting from these partnerships to be released at the end of this year or at the beginning of the next one. Out of our internal productions, we have high hopes Idle Farm, which was released in September and already notes promising performance.

To conclude, the Group will soon have new games and new areas of activity to monetize. We look to the future with optimism.

The full report is presented below.

II. SELECTED FINANCIAL DATA FOR THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BOOMBIT S.A. GROUP FOR THE PERIOD ENDED ON 30 June 2023

Selected consolidated financial data

	6 months ended		6 months ended	
	30 June		30 June	
	2023	2022	2023	2022
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Revenue on sales of services	128,199	148,068	27,791	31,893
Cost of sales	(116,310)	(136,317)	(25,214)	(29,362)
Gross profit on sales	11889	11,751	2,577	2,531
Operating profit/loss	143	5,391	31	1,161
Profit/loss before tax	10740	4,553	2,328	981
Net profit/loss	7079	4,230	1,535	911
Total comprehensive income	6511	3,720	1,411	801
Total comprehensive income				
- attributable to shareholders of the parent	10,927	4,000	2,369	863
- attributable to minority interest	(4,416)	(280)	(957)	(60)
Profit/loss per share (in PLN/EUR) (basic)	0.90	0.34	0.19	0.07
Profit/loss per share (in PLN/EUR) (diluted)	0.90	0.33	0.19	0.07
Net cash flows from operating activity	12828	11,401	2,780	2,456
Net cash flows from investment activity	(11,431)	(6,752)	(2,477)	(1,455)
Net cash flows from financial activity	(19)	1,110	(4)	239
Cash flows before exchange differences	1,378	5,759	299	1,240
Total net cash flows	1,748	5,698	379	1,227
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets	65045	50,822	14,616	10,837
Current assets	87482	89,222	19,658	19,024
Total assets	152,527	140,044	34,273	29,861
Equity attributable to shareholders of the parent	79,541	77,732	17,873	16,574
Equity attributable to minority interest	(8,230)	(4,127)	(1,849)	(880)
Total equity	71,311	73,605	16,024	15,694
Long-term liabilities	5,951	2,506	1,337	534
Short-term liabilities	75,265	63,933	16,912	13,633
Total liabilities	81,216	66,439	18,250	14,167
Total equity and liabilities	152,527	140,044	34,273	29,861

Selected standalone financial data

	6 months ended		6 months ended	
	30 June		30 June	
	2023	2022	2023	2022
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Revenue on sales of services	87,772	91,280	19,027	19,661
Cost of sales	(72,593)	(78,979)	(15,737)	(17,012)
Gross profit on sales	15,179	12,301	3,290	2,650
Operating profit/loss	5,628	8,592	1,220	1,851
Profit/loss before tax	15,216	7,902	3,298	1,702
Net profit/loss	11,952	7,684	2,591	1,655
Total comprehensive income	11,952	7,684	2,591	1,655
Profit/loss per share (in PLN/EUR) (basic)	0.88	0.57	0.19	0.12
Profit/loss per share (in PLN/EUR) (diluted)	0.88	0.57	0.19	0.12
Net cash flows from operating activity	15,442	15,910	3,347	3,427
Net cash flows from investment activity	(11,793)	(4,266)	(2,556)	(919)
Net cash flows from financial activity	(99)	129	(21)	28
Cash flows before exchange differences	3,550	11,773	755	2,536
Total net cash flows	3,906	12,024	847	2,590

	31		31	
	30 June	December	30 June	December
	2023	2022	2023	2022
	PLN '000		EUR '000	
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets	47,898	38,334	10,763	8,174
Current assets	91,250	85,507	20,504	18,232
Total assets	139,148	123,841	31,267	26,406
Total equity	79,369	76,535	17,835	16,319
Long-term liabilities	5,302	2,672	1,191	570
Short-term liabilities	54,477	44,634	12,240	9,517
Total liabilities	59,779	47,306	13,431	10,087
Total equity and liabilities	139,148	123,841	31,266	26,406

The above financial data for 6 months of 2023 and 2022 and for the periods ended 30 June 2023 and 31 December 2022 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 June 2023 – 4.6130 EUR/PLN and from January to 30 June 2022 – 4.6427 EUR/PLN;
- asset and liability items – according to the average exchange rate defined by the National Bank of Poland (NBP) for 30 June 2023 – 4.4503 EUR/PLN, and for 31 December 2022 – 4.6899 EUR/PLN.

**III. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BOOMBIT S.A. GROUP
FOR THE 6 MONTHS ENDED 30 June 2023**

Condensed consolidated interim statement of comprehensive income

	Note	6 months ended		3 months ended	
		30 June		30 June	
		2023 <i>(unaudited)</i>	2022 <i>(audited)</i>	2023 <i>(unaudited)</i>	2022 <i>(unaudited)</i>
Revenue on sales of services	7	128,199	148,068	62,763	81,915
Cost of sales	8	(116,310)	(136,317)	(56,832)	(75,392)
Gross profit on sales		11,889	11,751	5,931	6,523
General administrative costs	8	(8,953)	(8,102)	(4,515)	(4,974)
Other operating revenue		68	1,816	(131)	980
Other operating costs		(2,861)	(74)	(1,885)	(18)
Operating profit/loss		143	5,391	(600)	2,511
Financial revenue		10,685	219	10,342	196
Financial costs		(88)	(1,057)	(43)	(1,055)
Profit/loss before tax		10,740	4,553	9,699	1,652
Income tax	9	(3,661)	(323)	(2,957)	305
Profit/(loss) on continued operations		7,079	4,230	6,742	1,957
Profit/(loss) on discontinued operations		-	-	-	-
Net profit/loss		7,079	4,230	6,742	1,957
Other comprehensive income					
Items that may be reclassified to profit/loss in the future:					
Exchange differences		(568)	(510)	(470)	(214)
Total other comprehensive income		(568)	(510)	(470)	(214)
Total comprehensive income		6,511	3,720	6,272	1,743
- attributable to shareholders of the parent		10,927	4,000	8,694	2,056
- attributable to minority interest		(4,416)	(280)	(2,422)	(313)
Net profit/loss					
- attributable to shareholders of the parent		12,128	4,510	9,797	2,270
- attributable to minority interest		(5,049)	(280)	(3,055)	(313)
Profit/loss per share attributable to shareholders of the parent company during the period (expressed as PLN per share)					
Basic	14	0.90	0.34	0.72	0.17
on continued operations		0.90	0.34	0.72	0.17
on discontinued operations		-	-	-	-
Diluted	14	0.90	0.33	0.72	0.16
on continued operations		0.90	0.33	0.72	0.16
on discontinued operations		-	-	-	-

Condensed consolidated interim statement of financial position

		30 June	31 December
		2023	2022
	Note	<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets			
Property, plant and equipment		1,876	2,213
Intangible assets	10	31,169	24,824
Goodwill	11	15,338	15,673
Shares	13	13,621	3,509
Other financial assets	16	-	2,243
Deferred income tax asset		3,041	2,360
		65,045	50,822
Current assets			
Trade and other receivables	16	32,496	37,545
Income tax receivables		316	366
Cryptographic assets	12	5,746	6,314
Other financial assets	16	2,179	-
Cash and cash equivalents		46,745	44,997
Current assets other than tangible assets held for sale		87,482	89,222
Assets held for sale		-	-
Current assets		87,482	89,222
Total assets		152,527	140,044
Equity			
Equity attributable to shareholders of the parent			
Share capital	13	6,770	6,750
Capital from share premium		32,063	32,063
Exchange differences on translation of foreign operations		(489)	712
Equity from share-based payments	20	6,808	5,508
Retained earnings		34,389	32,699
		79,541	77,732
Equity attributable to minority interest		(8,230)	(4,127)
Total equity		71,311	73,605
Liabilities			
Long-term liabilities			
Deferred income tax liabilities		5,815	2,319
Other financial liabilities	16	136	187
		5,951	2,506
Short-term liabilities			
Other financial liabilities	16	762	21,657
Trade and other liabilities	16	72,943	40,639
Income tax liabilities		1,560	1,637
Short-term liabilities not held for sale		75,265	63,933
Short-term liabilities held for sale		-	-
Short-term liabilities		75,265	63,933
Total liabilities		81,216	66,439
Total equity and liabilities		152,527	140,044

Condensed consolidated 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 2023 (audited)		6,750	32,063	712	5,508	32,699	77,732	(4,127)	73,605
Net profit (loss)		-	-	-	-	12,128	12,128	(5,049)	7,079
Other comprehensive income		-	-	(1,201)	-	-	(1,201)	633	(568)
Comprehensive income		-	-	(1,201)	-	12,128	10,927	(4,416)	6,511
Capital increase		20	-	-	-	-	20	-	20
Disbursements to owners	15	-	-	-	-	(10,438)	(10,438)	-	(10,438)
Share-based payments	20	-	-	-	1,300	-	1,300	313	1,613
Changes in equity		20	-	(1,201)	1,300	1,690	1,809	(4,103)	(2,294)
As at 30 June 2023 (unaudited)		6,770	32,063	(489)	6,808	34,389	79,541	(8,230)	71,311

	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)		-	-	-	-	4,510	4,510	(280)	4,230
Other comprehensive income		-	-	(510)	-	-	(510)	-	(510)
Comprehensive income		-	-	(510)	-	4,510	4,000	(280)	3,720
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	20	-	-	-	824	-	824	-	824
Changes in equity		40	-	(510)	824	(2,935)	(2,581)	(278)	(2,859)
As at 30 June 2022 (audited)		6,750	32,063	2,380	4,612	27,479	73,284	2,928	76,212

Condensed consolidated interim cash flow statement

	Note	6 months ended 30 June	
		2023 <i>(unaudited)</i>	2022 <i>(audited)</i>
Profit/loss before tax		10,740	4,553
Adjustments:		3,013	8,167
Amortization	8	5,487	6,375
Foreign exchange profit (loss)		16	(386)
Interest revenue		(633)	(55)
Interest cost		37	7
Profit (loss) on investment activities		(22)	5
Impairment loss on receivables and other financial assets		242	-
Change in the balance of receivables	18	4,855	(8,803)
Change in liabilities, except for loans and borrowings	18	962	10,079
Settlement of share-based payment costs	20	1,613	824
Change in cryptographic assets		568	(778)
Profit (loss) from fair value measurement		(10,112)	899
Operating net cash flow		13,753	12,720
Income tax (paid) / refunded		(925)	(1,319)
Net cash flows from operating activity		12,828	11,401
Investment activity			
Sale of property, plant and equipment and intangible assets		156	1.
Interest received		533	-
Sale of shares		-	1,593
Acquisition of subsidiaries		-	1.
Acquisition of property, plant and equipment and intangible assets		(223)	(598)
Expenditure on intangible assets	10	(11,897)	(7,749)
Net cash flows from investment activity		(11,431)	(6,752)
Financial activity			
Capital increase		-	40
Proceeds from loans and borrowings		80	981
Proceeds from lease		-	189
Repayment of lease liabilities		(66)	(93)
Interest		(33)	(7)
Net cash flows from financial activity		(19)	1,110
Cash flows before exchange differences		1,378	5,759
Net foreign exchange differences on cash and cash equivalents		370	(61)
Total net cash flows		1,748	5,698
Cash opening balance		44,997	33,295
Cash closing balance, including:		46,745	38,993
- of limited disposability		-	-

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

1.1 Basic information about the Parent Company

Address of the company's registered office – 80-283 Gdańsk, Poland, ul. Zacna 2

Country of registration – Poland

Description of the nature and the core activity – Development and publishing of computer games

Registered office: Poland, 80-283 Gdańsk, ul. Zacna 2

Legal form of the entity – Polish joint stock company entered in the National Court Register (KRS): Gdańsk-Północ District Court in Gdańsk, 7th Commercial Division of the National Court Register; KRS number 0000740933, registered on 23 July 2018

Name of the parent company – BoomBit S.A.

Name of the reporting company – BoomBit S.A.

Name of the ultimate parent of the group – BoomBit S.A.

Primary place of business – Poland, 80-283 Gdańsk ul. Zacna 2

The Company's presentation currency is PLN. The financial data are presented as rounded to the nearest thousand PLN, unless specified otherwise.

The consolidated financial statements include the financial data of the BoomBit S.A. Group.

The Group's consolidated financial statements cover the 3 months ended 31 March 2023 and they contain comparative data for the 3 months ended 31 March 2022 and data as at 31 December 2022.

1.2 Governing bodies of the Parent Company

Board of Directors

On 30 June 2023 and on the date of this report, the Board of Directors consisted of:

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

Company's Supervisory Board

On 30 June 2023 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 Napiórkowski – Supervisory Board Member,
- Szymon Okoń – Supervisory Board Member,
- Jacek Markowski – Supervisory Board Member.

2 Group structure

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

Name of company	Registered office	Objects of business	Capital tie description/consolidation method	% of ownership and voting rights	Control/ Co-control start date
BoomBit S.A.	Gdańsk, Poland	development and publishing of computer games	parent	not applicable	not applicable
BoomBit Games Ltd.	London, United Kingdom	publishing of computer games	subsidiary/full	100%	28 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.	Gdańsk, Poland	publishing of computer games	subsidiary/full	100%	28 February 2018
TapNice S.A.	Gdańsk, Poland	development and publishing of computer games	subsidiary/full	60%	16 October 2018
BoomHits Sp. z o.o.	Gdańsk, Poland	development and publishing of computer games	subsidiary/full	100%	16 October 2018
MoonDrip Sp. z o.o. under liquidation*	Gdańsk, Poland	development and publishing of computer games	joint venture/equity method	50%	22 June 2018
Mindsense Games Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	100%	28 February 2018
ADC Games Sp. z o.o.	Gdańsk, Poland	development and publishing of computer games	subsidiary/full	50%	23 February 2021
Maisly Games Sp. z o.o.	Gdańsk, 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.	Gdańsk, Poland	publishing of computer games	subsidiary/full	50% - through ADC Games	06 September 2021
BoomPick 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	blockchain-based projects	subsidiary/full	0%	06 May 2022
PlayEmber FZ-LLC	Rakez, United Arab Emirates	blockchain-based projects	subsidiary/full	0%	17 June 2022

* The liquidation of Moondrip Sp o.o. opened on 28 February 2023.

3 The basis for preparing the statements

These condensed consolidated 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 2022.

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

By the date of preparing these consolidated condensed interim financial truncated statements, there were no circumstances that would suggest the existence of any threats to the Group continuing as a going concern.

3.1 New standards and interpretations

The accounting principles (policy) applied in the preparation of these condensed standalone interim financial statements are consistent with the ones applied in the preparation of the consolidated annual financial statements of the Group for the year ended 31 December 2022, except for the application of new standards as well as changes to standards and changes to the accounting principles of the Group as described below.

- a) Amendments to IAS 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) 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 standalone financial statements (applicable to the annual periods starting on 1 January 2023 or later),

The above amendments do not materially influence the interim condensed standalone financial statements of the Company.

3.2 Standards, amendments and interpretations of the existing standards which were published but were not yet 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) 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,
- b) 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 standalone financial statements (applicable to the annual periods starting on 1 January 2024 or later),
- c) 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 standalone financial statements (the effective date was postponed until the end of the research on the equity method),

- d) Amendments to IAS 16 "Lease" – lease liabilities in sale and leaseback transactions, not approved by the EU until the approval of these standalone financial statements (applicable to the annual periods starting on 1 January 2024 or later).

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

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

3.3 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 2022. The applied accounting policy did not change versus 31 December 2022.

4 Professional judgment and material estimates

The estimates applied by the Group are described in the consolidated financial statements for the year ended on 31 December 2022. The applied accounting policy did not change versus 31 December 2022.

5 Business seasonality

The Group's business is not seasonal.

6 Operating segments

The Group's Board of Directors identified two operating segments for the current financial year in accordance with the IFRS 8 Operating Segments:

- Mobile games
- Blockchain projects

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.

Revenue, EBITDA and net profit/loss of the segments

The revenue disclosed in the Blockchain Projects segment pertain to the NFTs sold for Hunters on Chain – a game released by BoomLand FZ-LLC.

	6 months ended			
	30 June 2023			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
External sales	127,308	891	-	128,199
Internal Group sales	45	15	(60)	-
Sales revenue	127,353	906	(60)	128,199
Gross profit/loss on sales	14,733	(2,844)	(3)	11,886
Operating profit/loss	4,810	(4,664)	(3)	143
Depreciation and amortization	(5,487)	-	-	(5,487)
EBITDA	10,297	(4,664)	(3)	5,630
Financial revenue/expenses	10,733	(68)	(68)	10,597
Gross profit/loss	15,543	(4,732)	(71)	10,740
Tax	(3,661)	-	-	(3,661)
Net profit/loss	11,882	(4,732)	(71)	7,079

	6 months ended			
	30 June 2022			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
External sales	148,068	-	-	148,068
Internal Group sales	-	-	-	-
Sales revenue	148,068	-	-	148,068
Gross profit/loss on sales	13,304	(1,553)	-	11,751
Operating profit/loss	8,373	(2,982)	-	5,391
Depreciation and amortization	(6,375)	-	-	(6,375)
EBITDA	14,748	(2,982)	-	11,766
Financial revenue/expenses	(824)	(7)	(7)	(838)
Gross profit/loss	7,549	(2,989)	(7)	4,553
Tax	(323)	-	-	(323)
Net profit/loss	7,226	(2,989)	(7)	4,230

Assets of the segments

	30 June 2023			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Intangible assets	24,562	6,598	9	31,169
Other tangible assets	33,876	-	-	33,876
Tangible assets	58,438	6,598	9	65,045
Cash	46,745	-	-	46,745
Cryptographic assets	2,086	3,660	-	5,746
Other current assets	36,367	524	(1,900)	34,991
Current assets	85,198	4,184	(1,900)	87,482
Total assets	143,636	10,782	(1,891)	152,527

	31 December 2022			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Intangible assets	20,537	4,280	7	24,824
Other tangible assets	25,998	-	-	25,998
Tangible assets	46,535	4,280	7	50,822
Cash	44,997	-	-	44,997
Cryptographic assets	932	5,382	-	6,314
Other current assets	39,083	503	(1,675)	37,911
Current assets	85,012	5,885	(1,675)	89,222
Total assets	131,547	10,165	(1,668)	140,044

Liabilities of the segments

	30 June 2023			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Long-term liabilities	5,951	-	-	5,951
Short-term liabilities	58,221	18,944	(1,900)	75,265
Total liabilities	64,172	18,944	(1,900)	81,216

	31 December 2022			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Long-term liabilities	2,506	-	-	2,506
Short-term liabilities	50,954	14,654	(1,675)	63,933
Total liabilities	53,460	14,654	(1,675)	66,439

The main balance sheet items in the Blockchain Projects segment:

- in assets – development costs and cryptographic assets received in connection with the signed SAFTs,
- in liabilities – liabilities under the SAFTs.

7 Sales revenue

Sources of revenue

	6 months ended			
	2023		2022	
	<i>(unaudited)</i>		<i>(audited)</i>	
advertising	75,320	59%	105,542	71%
Micropayments and sale of digital copies	51,165	40%	41,150	28%
other	1,714	1%	1,376	1%
	128,199	100%	148,068	100%

including:

<u>Platforms (distribution)</u>	126,485	99%	146,692	99%
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	6 months ended			
	2023		2022	
	<i>(unaudited)</i>		<i>(audited)</i>	
Android	68,384	54%	83,525	57%
iOS	57,143	45%	61,558	42%
other	958	1%	1,609	1%
	126,485	100%	146,692	100%

Geographic data

	6 months ended			
	2023		2022	
	<i>(unaudited)</i>		<i>(audited)</i>	
North America	59,376	47%	77,220	53%
Europe	33,587	27%	37,029	25%
Asia	26,454	21%	23,681	16%
South America	3,184	3%	4,121	3%
Australia & Oceania	3,251	3%	3,952	3%
Africa	633	1%	689	0%
	126,485	100%	146,692	100%

Leading business partners

	6 months ended			
	2023		2022	
	<i>(unaudited)</i>		<i>(audited)</i>	
Google	25,698	21%	21,848	15%
Apple	24,084	19%	16,945	11%
IronSource	14,501	11%	9,372	6%
AdMob	12,130	9%	18,646	11%
Applovin	11,645	9%	32,090	23%
Unity Technologies	11,463	9%	11,057	7%
Facebook	9,299	7%	13,657	9%
Others	8,561	7%	9,100	8%
Adlogic Technology	5,667	4%	7,893	5%
Vungle	2,698	2%	2,404	2%
Fyber Monetization	2,453	2%	5,056	3%
	128,199	100%	148,068	100%

8 Cost of goods sold

	6 months ended	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Depreciation and amortization	5,487	6,375
Materials and energy consumption	279	338
Third-party services	119,288	136,461
<i>Commissions of distribution platforms</i>	14,142	11,361
<i>User acquisition costs</i>	69,619	89,677
<i>Rev share costs</i>	10,391	12,303
Taxes and levies	184	137
Salaries	10,108	7,688
Social security and other benefits	1,658	1,110
Other costs by type	590	206
Total costs by type	137,594	152,315
Development costs	(12,331)	(7,896)
General administrative costs	(8,953)	(8,102)
Cost of sales	116,310	136,317

9 Income tax

	6 months ended	
	30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Gross profit	10,740	4,553
Theoretical tax calculated according to domestic rates that apply to income in Poland (19%)	(2,041)	(865)
Difference on tax according to another rate	(981)	(117)
Non-tax-deductible costs	(618)	(721)
<i>including: costs of incentive schemes</i>	<i>(247)</i>	<i>(31)</i>
Exchange differences	(3)	-
Revenue not included in the tax base	70	45
CIT adjustments related to previous years	(88)	1,335
Charge on the financial result on account of income tax	(3,661)	(323)
effective tax rate*	34.1%	7.1%

*In its tax return for 2021, BoomBit S.A. claimed the IP box tax relief settled in 2022 and as a result the effective tax rate of 7.1% was lower in the benchmarking period than the nominal tax rate (19%).

No tax loss asset was recognized for Skyloft in 2023 due to the risk that it would not be used. Furthermore, companies registered in United Arab Emirates do not recognize deferred tax assets and provisions, including loss assets, because these companies are exempt from the income tax in this jurisdiction. As a result, the effective tax rate is 34% and it is higher than the nominal tax rate.

10 Intangible assets

	Completed development work – Games	Completed development work – support tools	Acquired rights in games	Acquired rights in games under preparation	Incomplete development work	Total
As at 1 January 2023						
(audited)						
Cost	47,081	18,739	775	-	10,500	77,095
Amortization to date	(36,199)	(12,435)	(197)	-	-	(48,831)
Impairment losses	(3,083)	(48)	-	-	(309)	(3,440)
Net value	7,799	6,256	578	-	10,191	24,824
Increases*	4	-	-	668	11,225	11,897
Gross sales/liquidation	-	-	-	-	(188)	(188)
Sales/liquidation total amortization	-	-	-	-	-	-
Transfer between categories	5,481	3,484	2	(2)	(8,965)	-
Transfer between categories – total amortization	-	-	-	-	-	-
Exchange differences on translation	(46)	(42)	-	-	(217)	(305)
Amortization (Creation)/utilization of impairment losses	(3,412)	(1,643)	(4)	-	-	(5,059)
	-	-	-	-	-	-
As at 30 June 2023 (unaudited)						
Cost	52,472	22,151	777	666	12,356	88,499
Amortization to date	(39,491)	(14,048)	(201)	-	-	(53,890)
Impairment losses	(3,155)	(48)	-	-	(309)	(3,440)
Net value	9,826	8,055	576	666	12,047	31,169

* the value of the increases differs from the value of development costs specified in Note 8 by the PLN 442,000 revenue earned in the soft launch and the PLN 4,000 from the acquisition of development costs from Moondrip Sp. z o.o. under liquidation.

Development costs for the 6 months ended 30 June 2023 include expenses on outsourced services of PLN 9,042,000 and expenses on salaries and the related contributions of PLN 3,289,000. The expenses were reduced by the soft launch revenue of PLN 442,000. Amortization of completed development works is fully charged to the cost of goods sold.

	Completed development work – Games	Completed development work – support tools	Acquired rights in games	Acquired rights in games under preparation	Incomplete development work	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	6,818	-	-	2,238	18,934
Acquisition of a subsidiary						
Increases*	-	-	-	-	7,749	7,749
Gross sales/liquidation	(490)	-	-	-	-	(490)
Sales/liquidation total amortization	476	-	-	-	-	476
Transfer between categories	4,206	1,047	-	-	(5,253)	-
Transfer between categories – total amortization	34	(34)	-	-	-	-
Exchange differences on translation	-	-	-	-	-	-
Amortization	(4,633)	(1,480)	-	-	-	(6,113)
Creation of impairment losses	-	-	-	-	-	-
As at 30 June 2022 (audited)						
Cost	40,915	17,435	-	-	4,734	63,084
Amortization to date	(28,361)	(11,036)	-	-	-	(39,397)
Impairment losses	(3,083)	(48)	-	-	-	(3,131)
Net value	9,471	6,351	-	-	4,734	20,556

Development costs for the 6 months ended 30 June 2022 include expenses on outsourced services of PLN 6,091,000 and expenses on salaries and the related contributions of PLN 1,805,000. The expenses were reduced by the soft launch revenue of PLN 147,000.

11 Goodwill

	6 months ended	
	30 June 2023 <i>(unaudited)</i>	31 December 2022 <i>(audited)</i>
As at 1 January		
Cost	15,673	16,099
Amortization to date	-	-
Net value	15,673	16,099
Exchange differences	(335)	(426)
As at 30 June		
Cost	15,338	15,673
Amortization to date	-	-
Net value	15,338	15,673

12 Cryptographic assets

The Group has the following cryptographic assets as at 30 June 2023:

	30 June	31 December
	2023	2022
BUSD cryptocurrencies	-	680
USDC cryptocurrencies	5,165	96
NEAR cryptocurrencies	576	-
other	5	5
	5,746	6,314

13 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
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-Olejarz	1,838,839	919,420	13.62%	14.56%
Marcin Olejarz	1,867,850	933,925	13.84%	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	1,034,156	15.32%	10.60%
	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

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	120,000	60,000
	13,540,000	6,770,000

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,838,839	919,420	13.58%	14.53%
Marcin Olejarz	1,902,850	951,425	14.05%	14.86%
ATM Grupa S.A.	4,000,000	2,000,000	29.54%	30.71%
We Are One Ltd.*	3,725,000	1,862,500	27.51%	29.30%
Other shareholders	2,073,311	1,036,655	15.32%	10.60%
	13,540,000	6,770,000	100.00%	100.00%

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

On 3 January 2023, 40,000 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. On 25 April 2023, class F ordinary registered shares were converted to ordinary bearer shares in the deposit system.

14 Earnings per share

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

	6 months ended	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Net profit/loss for shareholders of the parent (PLN '000)	12,128	4,510
Number of shares* (as single shares)	13,539,777	13,455,506
Earnings per share – basic (in PLN)	0.90	0.34

* 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:

	6 months ended	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Net profit/loss for shareholders of the parent (PLN '000)	12,128	4,510
Number of shares* (as single shares)	13,540,000	13,500,000
Earnings per share – diluted (in PLN)	0.90	0.33

* Weighted average hypothetical number of shares in the reporting period

15 Dividends

On 21 June 2023, the Company's General Meeting adopted a resolution on distribution of the 2022 net profit of PLN 15,831,459.61 partially for dividend payment and partially to increase the Company's spare capital as follows:

- PLN 14,217,000.00 (89.80% of net profit for 2022) for dividend for the shareholders, i.e. PLN 1.05 per share (At the moment the shares currently issued by the Company is: 13,540,000).
- PLN 1,614,459.61 (10.20% of the 2022 net profit) for Company spare capital increase.

An interim dividend of PLN 3,221,000 was paid on 16 December 2022 and the remainder was paid on 6 July 2023.

16 Financial instruments by type

The Group had only financial assets and liabilities measured at amortized cost, except for the shares of SuperScale s.r.o. ("SuperScale"), measured at fair value through profit or loss.

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Assets measured at amortized cost		
Trade receivables	26,164	30,063
Other financial assets	2,179	2,243
Cash and cash equivalents	46,745	44,997
	75,088	77,303
Financial assets measured at fair value through profit or loss		
Interests and shares in other entities	13,621	3,509
	13,621	3,509
Financial assets	88,709	80,812

Financial instruments measured at amortized cost

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

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Other financial assets		
Loans to affiliates	1,290	1,242
Impairment loss on loans granted to affiliates	(1,290)	(1,242)
Net loans granted to affiliates, including:	-	-
- <i>tangible assets</i>	-	-
Loans granted to other entities	2,179	2,243
Impairment loss on loans granted to other parties	-	-
Net loans granted to other parties, including:	2,179	2,243
- <i>tangible assets</i>	-	2,243
- <i>current assets</i>	2,179	-
Other net financial assets	2,179	2,243

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

- The loan granted by the parent to the co-controlled company Moondrip Sp. z o.o. under liquidation. PLN 1,077,000 was utilized by the end date of the current reporting period. In 2022, the Group recognized a 100% impairment loss for the loan.
- EUR 452,000 of loan granted to SuperScale (interest rate 3M EURIBOR plus margin). An agreement regarding the loans was signed on 17 August 2020 whereby they were to be repaid within 5 years from the Investment Contract date, i.e. by 17 August 2025. The loan was repaid on 3 August 2024.

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. The analysis conducted for the amounts owed by non-affiliates has shown that, except for the receivable described below, the estimated impairment loss on that account would be insignificant so the Board of Directors has decided not to recognize it in these consolidated financial statements.

An individual analysis conducted in 2022 for receivables from affiliates revealed that there were grounds for impairment so the Group performed an individual impairment test for the receivables using the scenario method and as a result it created impairment losses for 100% of the receivables related to the loan granted and for the trade receivables from MoonDrip Sp. z o.o. under liquidation.

The receivable from a foreign business partner, a Finnish game producer ("business partner"), was subjected to a separate analysis. In conjunction with the bankruptcy petition filed by the business partner in Q1 2023, the Company

created an impairment loss on 100% of the remaining receivable in the amount of PLN 149,000. The Company does not believe that the remaining part of the amount owed is likely to be repaid.

Financial assets measured at fair value through profit or loss

In connection with the acquisition of SuperScale sp. z o.o. by SuperScale s.r.o. ("SuperScale") in Bratislava, Slovakia, through cross-border combination in the form of acquisition, i.e. through transfer of all the assets of SuperScale sp. z o.o. (target company) to SuperScale s.r.o. (acquiring company) by way of universal succession and dissolution of the target company, i.e. SuperScale sp. z o.o., without the liquidation process, the SuperScale sp. z o.o. shares held at that time were changed to SuperScale s.r.o. shares with the same shareholding structure.

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.

In June 2023, an investment round was held at SuperScale. As a part of that round, SuperScale secured almost EUR 5 million in exchange for newly issued shares. After the registration of the changes in the shareholder structure, BoomBit now holds 11.38% of shares in SuperScale's share capital. In connection with the above transaction, the Group measured the SuperScale shares at fair value based on the number of shares and the subscription prices for the investors participating in the investment round. As a result of the measurement, the fair value of the shares was PLN 13.6 million, which is an increase by PLN 10.1 million – an amount disclosed by the Company in the profit and loss account as financial revenue.

Financial instruments measured at fair value by level:

	30 June	31
	2023	December
	<i>(unaudited)</i>	<i>(audited)</i>
Interests and shares in other entities	13,621	3,509
Closing balance	13,621	3,509
<i>including:</i>		
Level 1	-	-
Level 2	13,621	3,509
Level 3	-	-
<u>Financial liabilities</u>		
	30 June	31
	2023	December
	<i>(unaudited)</i>	<i>(audited)</i>
Liabilities measured at amortized cost		
Trade liabilities	29,097	28,802
Other financial liabilities	898	21,844
	29,995	50,646
Financial liabilities	29,995	50,646

As other financial liabilities as at 31 December 2022 and 30 June 2023, the Group discloses:

	30 June	31
	2023	December
	<i>(unaudited)</i>	<i>(audited)</i>
Other financial liabilities		
Lease liability	224	290
- long-term	136	187
- short-term	88	103
Ad mediation contract liability	-	20,924
Liabilities from borrowings	674	630
	898	21,844

Contract liabilities pertained to the ad mediation contract entered into with ironSource Mobile Ltd. ("IS"). In connection with the performance of the contract, the Group received a one-off payment ("Integration Fee") and undertook to maintain a specific % of revenue earned from advertising through the mediation of IS ("Advertising Revenue") for 24 months after attaining the Advertising Revenue % specified in the contract ("Required Period"). The Group undertook to commence and end the process of integration with the SDK (software development kit) of IS as soon as possible after the contract effective date but not later than on 1 March 2023.

By 28 February 2023, the contractual terms which would permit recognizing the cash received from IS as revenue were met. Since March 2023, revenue on that account has been recognized as 1/24 of the received Integration Fee. The Group also reclassified the remaining portion of the Integration Fee to deferred income, which is disclosed in the balance sheet in 'Trade and other liabilities.'

Liabilities from borrowings comprise a PLN 166,000 loan granted by a shareholder CherryPick Sp. z o.o. and a cryptocurrency loan of PLN 508,000 granted by Anibal Jose Da Cunha Saraiva Soares to BoomLand FZ-LLC.

17 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.

18 Note to consolidated cash flow statement

	6 months ended	
	30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Receivables		
Change of balance arising from the consolidated statement of financial position	5,113	(8,896)
- changes in impairment losses on receivables and loans	(242)	93
- change in the balance of loans	(16)	-
Change in receivables arising from the consolidated cash flow statement	4,855	(8,803)
Liabilities		
Change of balance arising from the consolidated statement of financial position	11,358	18,124
- change in the balance of liability for loans received	37	(981)
- change in dividend liabilities	(10,438)	(7,444)
- balance change because of exercise of the call option	-	476
- change in capital contribution liabilities	20	-
- change in lease liabilities	65	(96)
Change in liabilities arising from the consolidated cash flow statement	962	10,079

19 Transactions with affiliates

Goods and services are acquired from affiliates on 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 impairment losses on receivables from affiliates, except for the receivables from MoonDrip – a company under liquidation. 100% of the receivables were covered by an impairment loss. 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 6 months ended 30 June 2023, settlements and transactions with affiliates were as follows:

	Trade and other receivables	Granted loans	Received loans	Revenue	Purchase	Trade and other liabilities
	<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. under liquidation	-	-	-	3	7	-
Parties with significant influence						
Karolina Szablewska-Olejarcz	-	-	-	5	131	1,416
Marcin Olejarz	27	-	-	6	3	1,439
Anibal Soares	-	-	509	-	-	-
Marek Pertkiewicz	-	-	-	7	-	-
Grzegorz Regliński	-	-	-	-	61	12
Other affiliates						
We Are One Ltd.	-	-	-	-	-	2,868
ATM Spółka S.A.	-	-	-	-	-	3,080
	27	-	509	21	202	8,815

As at 31 December 2022 and for the 6 months ended 30 June 2022, settlements and transactions with affiliates were as follows:

	Trade and other receivables	Granted loans	Received loans	Revenue	Purchase	Trade and other liabilities
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Joint ventures						
MoonDrip Sp. z o.o. under liquidation	-	-	-	46	-	-
Parties with significant influence						
Karolina Szablewska-Olejarcz	1.	-	-	2	113	-
Marcin Olejarz	1.	-	-	6	-	9
Anibal Soares	-	-	549	-	-	-
Marek Pertkiewicz	-	-	-	4	-	-
Grzegorz Regliński	-	-	-	-	65	11
	2	-	549	58	178	20

Salaries of governing bodies and key management

	6 months ended 30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Salaries and other benefits for the Directors, including:		
<i>Board of Directors of the parent company, including:</i>		
- provision for bonuses for the Directors	5,707	4,789
- dividend for the previous year	5,656	4,737
<i>Board of Directors of other entities</i>	329	660
	4,306	3,075
	51	52

Salaries and other benefits for the Supervisory Board, including:	1,614	1,167
- dividend for the previous year	1,416	1,011
Salaries of key management	186	182
	7,507	6,138

20 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.

The amount of the provision recognized on that account in the current reporting period was PLN 111,000 and it was disclosed in other capitals.

On 3 January 2023, 40,000 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. On 25 April 2023, class F ordinary registered shares were converted to ordinary bearer shares in the deposit system. On 10 August 2023 they were admitted to trading in the Warsaw Stock Exchange.

- 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 in the given as dividend by a profit distribution resolution of the General Meeting,

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

The amount of the provision recognized on that account in the current reporting period was PLN 329,000 and it was disclosed in other capitals.

Scheme 2

An incentive scheme addressed to 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 972,000 (of which PLN 654,000 results from the profit/loss improvement arising from the measurement of SuperScale shares) and it was disclosed in other capitals.

3. In February 2023, PlayEmber FZ-LLC and ADC Games sp. z o.o. entered into a shareholder agreement with Jonathan Hook, who is a part of the key management of that company, whereunder Jonathan Hook subscribed to 1,500 shares, representing 15% in the share capital of PlayEmber FZ-LLC. Furthermore, the agreement includes other standard provisions for shareholder agreements, such as Jonathan Hook's commitment to be involved in the activity of PlayEmber FZ-LLC and not to compete with the company, a clause restricting the transferability of his shares, and provisions regarding the return of the shares in the case of specific events related to any change of his involvement. Jonathan Hook is also conditionally entitled to subscribe to 1,000 new shares of PlayEmber FZ-LLC under an incentive scheme participation agreement. Shares will be acquired in four equal tranches, each at the end of the subsequent year following the conclusion of the agreement, on condition that the involvement in the development of PlayEmber FZ-LLC is continued.

The valuation was based on the adjusted net asset method using scenarios of \$EMBR token issue (50%) or no token issue (50%). There was also an 8% probability (per annum) adopted that the right would not be exercised.

The amount of the provision recognized on that account in the current reporting period was PLN 313,000 and it was disclosed in other capitals.

21 Subsequent events

- On 3 August 2023, the Company received full repayment of the loan granted to SuperScale s.r.o. – EUR 452,000 plus the accrued interest.
- On 16 August 2023, the Extraordinary General Meeting of the Parent adopted a resolution increasing the maximum number of warrants to be issued as a part of the 2022-2024 incentive scheme for the Company's Directors to 300,000 warrants. The scheme assumes that the total number of warrants to be offered depends on the amounts allocated for dividend payment in accordance with the formula presented in the description of Scheme 1 (see Note 19).
- On 5 September 2023, the Group acquired 51% Mobile Esports Sp. z o.o. ("ME") shares for a total of PLN 3,900. ME will use a free-to-play platform to offer users a possibility of taking part in competitions where they can win real prizes. From the perspective of developers, the platform will be an alternative user acquisition channel.
- On 12 September 2023, BoomHits Sp. z o.o. purchased 50% of SkyLoft Sp. z o.o. shares for PLN 2,500.00, thus becoming the holder of 100% of the shares.
- In September 2023, PlayEmber FZ-LLC received a grant of USD 350,000 (in the USDC cryptocurrency) from the NEAR Foundation.

IV. BOOMBIT S.A. CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2023

Condensed standalone interim statement of comprehensive income

	Note	6 months ended 30 June		3 months ended 30 June	
		2023 <i>(unaudited)</i>	2022 <i>(audited)</i>	2023	2022
Sales revenue	5	87,772	91,280	41,418	50,491
Cost of sales	6	(72,593)	(78,979)	(34,027)	(42,748)
Gross profit on sales		15,179	12,301	7,391	7,743
General administrative costs	6	(7,089)	(5,507)	(3,837)	(3,092)
Other operating revenue		78	2,579	(121)*	1,591
Other operating costs		(2,540)	(781)	(1,524)	(729)
Operating profit/loss		5,628	8,592	1,909	5,513
Financial revenue		11,100	216	10,573	139
Financial costs		(1,512)	(906)	(1,471)	(904)
Profit/loss before tax		15,216	7,902	11,011	4,748
Income tax	7	(3,264)	(218)	(2,364)	378
Net profit/loss		11,952	7,684	8,647	5,126
Other comprehensive income		-	-	-	-
Total comprehensive income		11,952	7,684	8,647	5,126
Earnings per share (in PLN)					
Basic	11	0.88	0.57	0.64	0.38
on continued operations		0.88	0.57	0.64	0.38
on discontinued operations		-	-	-	-
Diluted	11	0.88	0.57	0.64	0.38
on continued operations		0.88	0.57	0.64	0.38
on discontinued operations		-	-	-	-

* the negative figure arises from sales adjustments

Condensed standalone interim statement of financial position

		30 June	31 December
	Note	2023	2022
		<i>(unaudited)</i>	<i>(audited)</i>
Tangible assets			
Property, plant and equipment		1,617	1,934
Intangible assets	8	21,361	17,819
Shares	13	24,920	14,808
Other financial assets	13	-	3,773
		<u>47,898</u>	<u>38,334</u>
Current assets			
Trade and other receivables		43,829	49,010
Cryptographic assets		570	585
Other financial assets	13	12,006	4,973
Cash and cash equivalents		34,845	30,939
Current assets other than tangible assets held for sale		<u>91,250</u>	<u>85,507</u>
Assets held for sale		-	-
Current assets		<u>91,250</u>	<u>85,507</u>
Total assets		<u>139,148</u>	<u>123,841</u>
Equity			
Equity attributable to shareholders of the parent			
Share capital	10	6,770	6,750
Capital from share premium		32,064	32,064
Equity from share-based payments	18	6,808	5,508
Retained earnings		33,727	32,213
Total equity		<u>79,369</u>	<u>76,535</u>
Liabilities			
Long-term liabilities			
Deferred income tax liabilities	7	5,166	2,485
Other financial liabilities	13	136	187
		<u>5,302</u>	<u>2,672</u>
Short-term liabilities			
Other financial liabilities	13	89	21,027
Trade and other liabilities		53,497	22,581
Income tax liabilities		891	1,026
Short-term liabilities not held for sale		<u>54,477</u>	<u>44,634</u>
Short-term liabilities held for sale		-	-
Short-term liabilities		<u>54,477</u>	<u>44,634</u>
Total liabilities		<u>59,779</u>	<u>47,306</u>
Total equity and liabilities		<u>139,148</u>	<u>123,841</u>

Condensed standalone interim statement of changes in equity

	Note	Share capital	Capital from share premium	Other capitals	Retained earnings	Total
As at 1 January 2023 (audited)		6,750	32,064	5,508	32,213	76,535
Net profit (loss)		-	-	-	11,952	11,952
Comprehensive income		-	-	-	11,952	11,952
Capital increase		20	-	-	-	20
Disbursements to owners	12	-	-	-	(10,438)	(10,438)
Share-based payments	18	-	-	1,300	-	1,300
Changes in equity		20	-	1,300	1,514	2,834
As at 30 June 2023 (unaudited)		6,770	32,064	6,808	33,727	79,369
As at 1 January 2022 (audited)		6,710	32,064	3,788	27,605	70,167
Net profit (loss)		-	-	-	7,684	7,684
Comprehensive income		-	-	-	7,684	7,684
Capital increase		40	-	-	-	40
Disbursements to owners		-	-	-	(7,444)	(7,444)
Share-based payments	18	-	-	824	-	824
Changes in equity		40	-	824	240	1,104
As at 30 June 2022 (audited)		6,750	32,064	4,612	27,845	71,271

Condensed standalone interim cash flow statement

	Note	6 months ended	
		2023	2022
		(unaudited)	(audited)
Profit/loss before tax		15,216	7,902
Adjustments:		944	8,493
Amortization	6.8	4,546	5,252
Foreign exchange profit (loss)		(1)	(348)
Interest revenue		(1,049)	(212)
Interest cost		33	7
Profit (loss) on investment activities		(22)	(25)
Change in cryptographic assets		15	-
Change in the balance of receivables		4,800	(1,325)
Change in liabilities		(426)	2,698
Settlement of share-based payment costs	18	1,300	824
Profit (loss) from fair value measurement		(10,112)	899
Impairment loss on receivables		1,860	723
Cash flows from activity		16,160	16,395
Income tax (paid) / refunded	18	(718)	(485)
Net cash flows from operating activity		15,442	15,910
Investment activity			
Sale of property, plant and equipment and intangible assets		156	31
Proceeds from repayment of loans granted	13	120	1,086
Interest received		557	2
Sale of a subsidiaries		-	3
Sale of other shares		-	1,593
Acquisition of subsidiaries		-	(8)
Acquisition of property, plant and equipment and intangible assets		(207)	(522)
Expenditure on intangible assets	8	(7,748)	(4,486)
Loans granted	13	(4,671)	(1,965)
Net cash flows from investment activity		(11,793)	(4,266)
Financial activity			
Capital increase		-	40
Proceeds from lease received		-	189
Repayment of lease liabilities		(66)	(93)
Interest		(33)	(7)
Net cash flows from financial activity		(99)	129
Cash flows before exchange differences		3,550	11,773
Net foreign exchange differences on cash and cash equivalents		356	251
Total net cash flows		3,906	12,024
Cash opening balance		30,939	5,546
Cash closing balance, including:		34,845	17,570
- of limited disposability		-	-

1 General

The standalone condensed interim financial statements of BoomBit S.A. cover the 6 months ended 30 June 2023 and contain relevant benchmarking data.

Company identification 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:	Gdańsk-Północ District Court in Gdańsk, 7th Commercial Division of the National Court Register; KRS number 0000740933, registered on 23 July 2018
REGON (Polish statistical business number) and date assigned:	REGON 221062100; assigned on 14 August 2010
Duration of the Company:	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 Gdańsk before notary public Adam Wasak, as recorded in roll of deeds A No. 2938/2010. On 23 July 2018, the limited liability company Aidem Media sp. z o.o. was re-registered as a joint-stock company BoomBit S.A. The Company's Articles of Association were drawn up as a notary deed in a Notary Office in Gdańsk before notary public Izabela Fal on 9 July 2018, as recorded in Roll of Deeds A No. 6319/2018. In May 2019, the Company's shares were listed in the regulated market of the Warsaw Stock Exchange.

The Company is the parent of the BoomBit S.A. Group which is why it prepares the consolidated financial statements of the Group.

In the period covered by these 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.

As at the balance sheet date, the Company's Supervisory Board was composed of:

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

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

2 The basis for preparing the statements

These condensed standalone 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 interim financial statements do not cover all the data or all the disclosures required for the annual financial statements and they shall be read in conjunction with the financial statements of the Company prepared in accordance with the IFRSs for the year ended dated 31 December 2022.

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

By the date of preparing these standalone interim financial statements, there were no circumstances that would suggest the existence of any threats to the Company continuing as a going concern.

These condensed standalone interim financial statements are presented in PLN, and all amounts are presented in thousands PLN (PLN '000) unless specified otherwise.

The Company prepared the condensed standalone interim financial statements for the 6 months ended on 30 June 2023 were approved for publication on 25 September 2023.

2.1 New standards and interpretations

The accounting principles (policy) applied in the preparation of these condensed standalone interim financial statements are consistent with the ones applied in the preparation of the consolidated annual financial statements of the Company for the year ended 31 December 2022, except for the application of new standards as well as changes to standards and changes to the accounting principles of the Group as described below.

- a) Amendments to IAS 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),

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 standalone financial statements (applicable to the annual periods starting on 1 January 2023 or later). The above amendments do not materially influence the interim condensed standalone financial statements of the Company.

a. Standards, amendments and interpretations of the existing standards which were published but were not yet 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) IFRS 14 "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 14 is issued,

b) 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 standalone financial statements (applicable to the annual periods starting on 1 January 2024 or later),

c) 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 standalone financial statements (the effective date was postponed until the end of the research on the equity method),

d) Amendments to IAS 16 "Lease" – lease liabilities in sale and leaseback transactions, not approved by the EU until the approval of these standalone financial statements (applicable to the annual periods starting on 1 January 2024 or later).

b. Changes to the estimates applied by the Company

The estimates applied by the Company are described in the standalone financial statements for the year ended on 31 December 2022. The applied accounting policy did not change versus 31 December 2022.

3 Professional judgment and material estimates

The estimates applied by the Company are described in the standalone financial statements for the year ended on 31 December 2022. The applied accounting policy did not change versus 31 December 2022.

4 Business seasonality

The Company's business is not seasonal.

5 Contracts with customers

Sources of revenue

	6 months ended 30 June			
	2023		2022	
	<i>(unaudited)</i>		<i>(audited)</i>	
rev share	82,193	94%	88,712	97%
advertising	3,516	4%	343	0%
micropayments	259	0%	184	0%
other	1,804	2%	2,041	3%
	87,772	100%	91,280	100%

including:

Platforms (distribution)

Geographic data

	6 months ended 30 June			
	2023		2022	
	<i>(unaudited)</i>		<i>(audited)</i>	
Europe	84,997	97%	90,946	100%
North America	1,977	2%	242	0%
Other	798	1%	92	0%
	87,772	100%	91,280	100%

Leading business partners

	6 months ended			
	2023		2022	
	<i>(unaudited)</i>		<i>(audited)</i>	
BoomBit Games	80,990	92%	87,016	95%
Others	6,782	8%	4,264	5%
	87,772	100%	91,280	100%

6 Cost of goods sold

	6 months ended	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Amortization	4,546	5,252
Materials and energy consumption	231	241
Outsourced services, including:	72,908	76,540
<i>Commissions of distribution platforms</i>	75	55
<i>User acquisition costs</i>	49,220	55,466
<i>Rev share costs</i>	7,925	8,329
Taxes and levies	104	79
Salaries	7,856	5,904
Social security and other benefits	1,334	804
Other costs by type	447	152
Total costs by type	87,426	88,972
Development costs	(7,744)	(4,486)
General administrative costs	(7,089)	(5,507)
Cost of sales	72,593	78,979

7 Income tax

	6 months ended	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Profit before tax	15,216	7,902
Theoretical tax calculated according to domestic rates that apply to income in Poland (19%)	(2,891)	(1,501)
Non-taxable revenue	18	57
Non-tax-deductible costs	(372)	(109)
<i>- including costs of incentive schemes</i>	(247)	(31)
Tax adjustment for previous years	(19)	1,335
Charge on the financial result on account of income tax	(3,264)	(218)
Effective tax rate*	21.5%	2.8%

*In its tax return for 2021, the Company claimed the IP box tax relief settled in 2022 and as a result the effective tax rate of 2.8% was lower in the benchmarking period than the nominal tax rate (19%).

8 Intangible assets

Development costs for the 6 months ended 30 June 2023 include expenses on outsourced services of PLN 5,390,000 and expenses on salaries and the related contributions of PLN 2,354,000. PLN Amortization of completed development works is fully charged to the cost of goods sold.

	Completed development work – Games	Completed development work – support tools	Acquired rights in games	Acquired rights in games under preparation	Development work in progress	Total
As at 1 January 2023 (audited)						
Cost	42,631	18,121	-	-	4,013	64,765
Amortization to date	(31,749)	(11,994)	-	-	-	(43,743)
Impairment losses	(3,155)	(48)	-	-	-	(3,203)
Net value	7,727	6,079	-	-	4,013	17,819
Increases	4	-	-	265	7,479	7,748
Gross transfer between categories	3,250	1,840	-	-	(5,090)	-
Amortization	(2,781)	(1,375)	-	-	-	(4,156)
As at 30 June 2023 (audited)						
Cost	45,885	19,961	-	265	6,352	72,463
Amortization to date	(34,530)	(13,369)	-	-	-	(47,899)
Impairment losses	(3,155)	(48)	-	-	-	(3,203)
Net value	8,200	6,544	-	265	6,352	21,361
As at 1 January 2022 (audited)						
Cost	37,965	15,716	-	-	1,861	55,542
Amortization to date	(25,650)	(9,231)	-	-	-	(34,881)
Impairment losses	(3,155)	(48)	-	-	-	(3,203)
Net value	9,160	6,437	-	-	1,861	17,458
Increases	-	-	-	-	4,486	4,486
Gross transfer between categories	2,861	1,047	-	-	(3,908)	-
Transfer between categories – total amortization	34	(34)	-	-	-	-
Gross sales/liquidation	(490)	-	-	-	-	(490)
Sales/liquidation total amortization	476	-	-	-	-	476
Amortization	(3,601)	(1,409)	-	-	-	(5,010)
As at 30 June 2022 (audited)						
Cost	40,336	16,763	-	-	2,439	59,538
Amortization to date	(28,741)	(10,674)	-	-	-	(39,415)
Impairment losses	(3,155)	(48)	-	-	-	(3,203)
Net value	8,440	6,041	-	-	2,439	16,920

Development costs for the 6 months ended 30 June 2022 include expenses on outsourced services of PLN 2,980,000 and expenses on salaries and the related contributions of PLN 1,506,000. Amortization of completed development works is fully charged to cost of sales.

9 Other assets

At the end of the current reporting period, the Company disclosed the costs incurred for the blockchain-based project pursued under subcontracting for BoomLand FZ-LLC in "Trade and other receivables." As at 30 June 2023, PLN 3,728,000 was recognized in this item.

10 Capital and equity

At the beginning of the period covered by these standalone financial statements, the share capital Company and the shareholding structure were as follows:

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

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,838,839	919,420	13.62%	14.56%
Marcin Olejarz	1,867,850	933,925	13.84%	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	1,034,156	15.32%	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

The Company's share capital and shareholding structure as at the balance sheet date and as at the publication date of these condensed standalone 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	120,000	60,000
	13,540,000	6,770,000

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,838,839	919,420	13.58%	14.53%
Marcin Olejarz	1,902,850	951,425	14.05%	14.86%
ATM Grupa S.A.	4,000,000	2,000,000	29.54%	30.71%
We Are One Ltd.*	3,725,000	1,862,500	27.51%	29.30%
Other shareholders	2,073,311	1,036,655	15.32%	10.60%
	13,540,000	6,770,000	100.00%	100.00%

On 3 January 2023, 40,000 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. On 25 April 2023, class F ordinary registered shares were converted to ordinary bearer shares in the deposit system.

11 Earnings per share

The presented earnings per share are calculated as earnings attributable to the Company's shareholders.

	6 months ended	
	30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Net result (PLN '000)	11,952	7,684
Number of shares* (as single shares)	13,539,777	13,455,506
Earnings per share – basic (in PLN)	0.88	0.57

* weighted average number of shares in the reporting period

Diluted earnings per share are calculated as earnings attributable to shareholders of the Company and the hypothetical weighted average number of shares.

	6 months ended	
	30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Net result (PLN '000)	11,952	7,684
Number of shares* (as single shares)	13,540,000	13,500,000
Earnings per share – diluted (in PLN)	0.88	0.57

* weighted average hypothetical number of shares in the reporting period

12 Dividends

On 21 June 2023, the Annual General Meeting adopted a resolution on fully allocating the Company's net profit for 2022 of PLN 14,217,000 for dividend and PLN 1,614 for the Company's spare capital.

An interim dividend of PLN 3,221,000 was paid on 16 December 2022 and the remainder was paid on 6 July 2023.

13 Financial instruments

At the end of the both current and previous reporting period, the Company had only financial assets and liabilities measured at amortised cost, except for the shares in SuperScale Sp. s.r.o. ("SuperScale").

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Assets measured at amortized cost		
Trade receivables	36,773	41,293
Other financial assets	12,006	8,746
Cash and cash equivalents	34,845	30,939
	83,624	80,978
Financial assets measured at fair value through profit or loss		
Interests and shares in other entities	13,621	3,509
	13,621	3,509
Financial assets	97,245	84,487

Financial instruments measured at amortized cost

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

As other financial assets, the Company discloses (exclusive of accrued interest):

- PLN 1,077,000 loan granted to Moondrip Sp. z o.o. under liquidation. In 2022, the Company recognized a 100% impairment loss for the loan.

- EUR 452,000 of loan granted to SuperScale EUR (interest rate EURIBOR 3M plus margin). On 03 August 2023, the Company received a full repayment of the loan.
- PLN 121,000 loan granted to Mindsense Games Sp. z o.o. The loan interest rate is 3M WIBOR plus margin. The agreed loan repayment date was set as 31 March 2024.
- PLN 6,000,000 loan granted to BoomHits Sp. z o.o. PLN The loan interest rate is 3M WIBOR plus margin. The agreed loan repayment date was set as 31 December 2023. The Company recognized a PLN 741,000 impairment loss for this asset.
- PLN 545,000 loans granted to Maisly Games Sp. z o.o. The loan interest rate is 3M WIBOR plus margin. The agreed loan repayment date is 3 April 2024.
- USD 150,000 loan granted to SkyLoft Sp. z o.o. The loan interest rate is 3M LIBOR plus margin. The agreed loan repayment date is 10 March 2024. In the current period, the Company recognized a PLN 741,000 impairment loss for this asset.
- PLN 1,567,000 loans granted to BoomPick Games Sp. z o.o. The loan interest rate is 3M WIBOR plus margin. The last tranche repayment date is 21 February 2024.
- USD 436,000 loan granted to BoomLand FZ-LLC. The loan interest rate is LIBOR 3M plus margin. The agreed loan repayment date is 26 May 2024. The Company recognized a PLN 250,000 impairment loss for this asset.

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Other financial assets		
Loans to affiliates	13,854	9,051
Impairment loss on loans granted to affiliates	(4,027)	(2,548)
Net loans granted to affiliates, including:	9,827	6,503
- <i>tangible assets</i>	-	1,530
- <i>current assets</i>	9,827	4,973
Loans granted to other entities	2,179	2,243
Net loans granted to other parties, including:	2,179	2,243
- <i>tangible assets</i>	-	2,243
- <i>current assets</i>	2,179	-
Other net financial assets	12,006	8,746

Impairment of loans granted

As at the balance sheet date, the Company verified the loans granted for expected credit losses (ECL) as required by IFRS 9.

The applied expected credit losses model showed impairment of loans granted.

The Company recognized an impairment loss of PLN 4,027,000 in the books as at 30 June 2023 which applied in its entirety to exposure in affiliates, i.e. BoomHits Sp. z o.o., BoomLand FZ, Moondrip Sp. z o.o. in liquidation and Skyloft Sp. z o.o., of which the impairment loss created in Q2 2023 was PLN 1,479,000. On the day ending the reporting period, the Company recognized an impairment loss on loans granted of PLN 2,548,000.

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Opening balance	2,548	945
Impairment loss creation	1,479	1,939
Impairment loss reversal	-	(336)
Closing balance	4,027	2,548
<i>including:</i>		
Stage 1	-	-
Stage 2	250	250
Stage 3	3,777	2,298

Balance of loans by stage of impairment:

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Other net financial assets	12,006	8,746
Impairment loss on other financial assets	(4,027)	(2,548)
Other gross financial assets	16,033	11,294
<i>including:</i>		
Stage 1	4,014	3,727
Stage 2	2,453	1,833
Stage 3	9,566	5,734

Impairment of trade receivables:

As at the balance sheet date, the Company verified its receivables for expected credit losses (ECL) as required by IFRS 9. The analysis conducted for receivables from non-affiliates has shown that, except for the receivable described below, the estimated impairment loss on that account would be insignificant so the Board of Directors has decided not to recognize it in these standalone financial statements.

The receivable from a foreign business partner, a Finnish game producer ("business partner"), was subjected to a separate analysis. In conjunction with the bankruptcy petition filed by the business partner in Q1 2023, the Company created an impairment loss on 100% of the remaining receivable in the amount of PLN 149,000. PLN The Company does not believe that the remaining part of the amount owed is likely to be repaid.

An individual analysis was also conducted for receivables from affiliates. The analysis revealed that there were grounds for recognizing an impairment loss on receivables, which is why the Company prepared and individual impairment test using the scenario method and, consequently, recognized a total impairment of PLN 2,466,000 related to the exposure in BoomHits Sp. z o.o., Skyloft Sp. z o.o. and Moondrip Sp. z o.o. in liquidation. On the day ending the reporting period, the Company had an impairment loss on receivables from affiliates of PLN 2,234,000. In Q2 2023, the PLN 235,000 was charged to profit/loss on that account.

The amounts of the created impairment losses on receivables from affiliates which were recognized in other operating costs and revenue are presented in the table below:

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Opening balance	2,446	1,762
Impairment loss creation	385	1,423
Impairment loss reversal	(4)	(739)
Closing balance	2,827	2,446
<i>including:</i>		
Stage 1	-	-
Stage 2	-	-
Stage 3	2,827	2,446

Balance of receivables by stage of impairment:

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Net trade receivables	36,773	41,293
Impairment loss on trade receivables	<i>(2,827)</i>	<i>(2,446)</i>
Gross trade receivables	39,600	43,739
including:		
Stage 1	26,903	30,929
Stage 2	86	145
Stage 3	12,611	12,665

Financial assets measured at fair value through profit or loss

In connection with the acquisition of SuperScale sp. z o.o. by SuperScale s.r.o. ("SuperScale") in Bratislava, Slovakia, through cross-border combination in the form of acquisition, i.e. through transfer of all the assets of SuperScale sp. z o.o. (target company) to SuperScale s.r.o. (acquiring company) by way of universal succession and dissolution of the target company, i.e. SuperScale sp. z o.o., without the liquidation process, the SuperScale sp. z o.o. shares held at that time were changed to SuperScale s.r.o. shares with the same shareholding structure.

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.

In June 2023, an investment round was held at SuperScale. As a part of that round, SuperScale secured almost EUR 5 million in exchange for newly issued shares. After the registration of the changes in the shareholder structure, BoomBit now holds 11.38% of shares in SuperScale's share capital. In connection with the above transaction, the Company measured the SuperScale shares at fair value based on the number of shares and the subscription prices for the investors participating in the investment round. As a result of the measurement, the fair value of the shares was PLN 13.6 million, which means an increase by PLN 10.1 million, which was recognized in the Company's profit and loss account as financial revenue.

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Interests and shares in other entities	13,621	3,509
Closing balance	13,621	3,509
including:		
Level 1	-	-
Level 2	13,621	3,509
Level 3	-	-

Financial liabilities:

As other financial liabilities as at 31 December 2022 and 30 June 2023, the Company discloses:

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Liabilities measured at amortized cost		
Trade liabilities	23,109	20,643
Other financial liabilities	225	21,214
	23,334	41,857
Liabilities measured at fair value through profit or loss	-	-
Financial liabilities	23,334	41,857

Contract liabilities pertained to the ad mediation contract entered into with ironSource Mobile Ltd. ("IS"). In connection with the performance of the contract, the Company received a one-off payment ("Integration Fee") and undertook to maintain a specific % of revenue earned from advertising through the mediation of IS ("Advertising Revenue") for 24 months after attaining the Advertising Revenue % specified in the contract ("Required Period"). The Company undertook to commence and end the process of integration with the SDK (software development kit) of IS as soon as possible after the contract effective date but not later than on 1 March 2023.

By 28 February 2023, the contractual terms which would permit recognizing the cash received from IS as revenue were met. Since March 2023, revenue on that account has been recognized as 1/24 of the received Integration Fee. The Company also reclassified the remaining portion of the Integration Fee to deferred income, which is disclosed in the balance sheet in 'Trade and other liabilities.'

14 Cryptographic assets

The Company had the following cryptographic assets on 30 June 2023:

	30 June	31 December
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
USDC cryptocurrencies	570	585
Total cryptocurrency balance, including:	570	585
- <i>cryptocurrency impairment losses</i>	(39)	(15)

15 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.

16 Note to condensed standalone interim cash flow statement

	6 months ended	
	30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(audited)</i>
Receivables		
Change of balance arising from the statement of financial position	1,921	(1,802)
- change in the balance of receivables for loans granted	3,260	1,068
- changes in provisions for trade receivables	(381)	(591)
Change of balance arising from the cash flow statement	4,800	(1,325)

Liabilities

Change of balance arising from the statement of financial position	9,927	9,762
- change in balance of options liabilities	-	476
- change in balance of dividend liabilities	(10,438)	(7,444)
- capital increase contributions	20	-
- change in balance of lease liabilities	65	(96)
Change of balance arising from the cash flow statement	(426)	2,698

17 Transactions with affiliates

Goods and services are acquired from affiliates on 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. The Company created impairment losses on receivables and loans from affiliates – for more information see Note 13. Liabilities towards affiliates arise mainly from purchasing transactions and from the 2022 dividend which was adopted in June 2023 and was paid on 6 July 2023 and their repayment date is 60 days after the purchase date. The liabilities do not bear interest.

As at and for the 6 months ended 30 June 2023, settlements and transactions with affiliates were as follows:

	Trade and other receivables	Granted loans	Trade and other liabilities	Received loans	Revenue	Purchase
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Parties with significant influence						
ATM Grupa S.A.	-	-	3,080	-	-	-
Karolina Szablewska-Olejarz	-	-	1,416	-	5	(131)
Marcin Olejarz	-	-	1,439	-	6	(3)
Marek Pertkiewicz	-	-	-	-	7	-
We Are One Ltd.	-	-	2,868	-	-	-
Subsidiaries						
BoomBit Games Ltd.	20,497	-	111	-	80,992	158
Boombit Inc.	-	-	121	-	(62)	-
Maisly Games Sp. z o.o.	77	582	4	-	31	3
TapNice S.A..	914	-	200	-	178	162
BoomHits Sp. z o.o.	8,891	5,790	917	-	1,765	874
PixelMob Sp. z o.o.	92	-	-	-	117	-
Play With Games Ltd.	150	-	-	-	91	-
ADC Games Sp. z o.o.	1,625	-	180	-	151	146
Mindsense Games Sp. z o.o.	7	144	-	-	30	650
SkyLoft Sp. z o.o.	496	-	69	-	104	56
PlayEmber Sp. z o.o.	7	-	-	-	11	-
BoomPick Sp. z o.o.	543	1,691	-	-	207	-
PlayEmber FZ-LLC	34	-	-	-	43	-
	-	1,620	-	-	59	-
	33,333	9,827	10,405	-	83,735	1,915

As at 31 December 2022 and for the 6 months ended 30 June 2022, settlements and transactions with affiliates were as follows:

	Trade and other receivables	Granted loans	Trade and other liabilities	Received loans	Revenue	Purchase
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Parties with significant influence						
Karolina Szablewska-Olejarz	1.	-	-	-	2	113
Marcin Olejarz	1.	-	9	-	6	-
Marek Pertkiewicz	-	-	-	-	4	-
Subsidiaries						
BoomBit Games Ltd.	26,337	-	-	-	87,016	98
Boombit Inc.	25	-	35	-	42	-
Maisly Games Sp. z o.o.	145	389	-	-	60	12
TapNice S.A..	37	-	-	-	284	2
BoomHits Sp. z o.o.	8,069	3,057	72	-	1,770	16
PixelMob Sp. z o.o.	168	-	-	-	399	-
Play With Games Ltd.	124	-	-	-	324	-
ADC Games Sp. z o.o.	1,580	-	-	-	232	-
Mindsense Games Sp. z o.o.	16	281	-	-	92	524
SkyLoft Sp. z o.o.	1,937	380	-	-	146	-
PlayEmber Sp. z o.o.	6	-	-	-	3	-
BoomPick Sp. z o.o.*	242	1,203	-	-	82	-
Boomland FZ-LCC**	-	1,193	-	-	2	-
Joint ventures						
MoonDrip Sp. z o.o. under liquidation	-	-	-	-	43	-
	38,688	6,503	116	-	90,507	765

* Amounts disclosed in revenue and purchases pertain to the period when BoomPick became an affiliate, i.e. from February 2022

** Amounts disclosed in revenue and purchases pertain to the period when BoomLand became an affiliate, i.e. from May 2022

Salaries of key management

	6 months ended	
	2023	2022
	<i>(audited)</i>	<i>(audited)</i>
Salaries and other benefits for the Directors, including:	5,656	4,737
<i>Provision for bonuses for the Directors</i>	329	660
<i>Dividend for the previous year</i>	4,306	3,075
Salaries and other benefits for the Supervisory Board, including:	1,614	1,167
<i>Dividend for the previous year</i>	1,416	1,011
Salaries of key management	186	182
	7,456	6,086

18 Share-based payments

The Company 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.

The amount of the provision recognized on that account in the current reporting period was PLN 111,000 and it was disclosed in other capitals.

On 03 January 2023, 40,000 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. On 25 April 2023, class F ordinary registered shares were converted to ordinary bearer shares in the deposit system. On 10 August 2023 they were admitted to trading in the Warsaw Stock Exchange.

5. 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 in the given as dividend by a profit distribution resolution of the General Meeting,
- B – the average closing price of Company shares in the 3 months preceding the date of the resolution on profit distribution in a given year of the incentive scheme.

The amount of the provision recognized on that account in the current reporting period was PLN 329,000 and it was disclosed in other capitals.

Scheme 2

An incentive scheme addressed to 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 972,000 (of which PLN 654,000 results from the profit/loss improvement arising from the measurement of SuperScale shares) and it was disclosed in other capitals.

19 Subsequent events

- On 3 August 2023, the Company received full repayment of the loan granted to SuperScale s.r.o. – EUR 452,000 plus the accrued interest.
- On 16 August 2023, the Extraordinary General Meeting of the Company adopted a resolution increasing the maximum number of warrants to be issued as a part of the 2022-2024 incentive scheme for the Company's Directors to 300,000 warrants. The scheme assumes that the total number of warrants to be offered depends on the amounts allocated for dividend payment in accordance with the formula presented in the description of Scheme 1 (see Note 18).
- On 5 September 2023, the Company acquired 51% Mobile Esports Sp. z o.o. ("ME") shares for a total of PLN 3,900. ME will use a free-to-play platform to offer users a possibility of taking part in competitions where they can win real prizes. From the perspective of developers, the platform will be an alternative user acquisition channel.

V. MANAGEMENT REPORT FOR BOOMBIT S.A. FOR THE 6 MONTHS ENDED 30 June 2023

1 Discussion of economic and financial results

Consolidated quarterly performance data

	Q1 2022	Q2 2022	H1 2022	Q1 2023	Q2 2023	H1 2023	change H1 2023 vs H1 2022	% change H1 2023 vs H1 2022
Revenue, including:	66,153	81,915	148,068	65,436	62,763	128,199	(19,869)	-13%
Micropayments and sale of digital copies	18,917	22,233	41,150	27,611	23,554	51,165	10,015	24%
Advertising	46,341	59,201	105,542	37,048	38,272	75,320	(30,222)	-29%
Blockchain	-	-	-	383	508	891	891	-
Main variable costs:	49,687	63,369	113,056	48,446	45,234	93,680	(19,376)	-17%
Commissions of platforms	4,882	6,469	11,351	7,320	6,802	14,122	2,771	24%
User Acquisition*	39,229	50,173	89,402	35,809	33,358	69,167	(20,235)	-23%
Rev share	5,576	6,727	12,303	5,317	5,074	10,391	(1,912)	-16%
Revenue minus main variable costs	16,466	18,546	35,012	16,990	17,529	34,519	(493)	-1%
EBITDA	6,037	5,729	11,766	3,508	2,122	5,630	(6,136)	-52%
Financial revenue/expenses	21	(859)	(838)	298	10,299	10,597	11,435	-1365%
NET PROFIT/LOSS	2,273	1,957	4,230	337	6,742	7,079	2,849	67%
One-time events, including:	-	899	899	149	(9,413)	(9,264)	(10,163)	-1130%
<i>measurement of SuperScale shares</i>	-	899	899	-	(10,112)	(10,112)	(11,011)	-1225%
<i>cost of the incentive scheme in the part arising from the measurement of SuperScale shares</i>	-	-	-	-	654	654	654	-
<i>other</i>	-	-	-	149	45	194	194	-
Current/deferred tax on one-time events	-	(171)	(171)	(28)	2,144	2,116	2,287	-1338%
Adjusted EBITDA	6,037	5,729	11,766	3,657	2,773	6,430	(5,336)	-45%
Adjusted NET PROFIT/LOSS	2,273	2,685	4,958	458	(527)	(69)	(5,027)	-101%
<i>minority interest</i>	33	(313)	(280)	(1,994)	(3,055)	(5,049)	(4,769)	1703%

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

In the period covered by this report, the Group's total revenue (PLN 128.2 million) was 13% down versus the analogical period in the previous year (PLN 148.1 million). Revenue from advertisements was PLN 75.3 million and it was 29% down from the revenue in H1 2022. However, with better performance of Mid-Code games, revenue from micropayments was PLN 51.2 million, up by 24% from the analogical period in the previous year. The Group's share of revenue from micropayments continues to increase. It was 40% in the period covered by this report versus 28% in the first six months of 2022. The revenue drop was caused mainly by the fact that there were few new releases, which arose from the decreasing profitability of the mobile advertising market for Hyper-Casual games and from the longer soft launch period of Idle Farm and Bowling Club for Mid-Code games. An additional factor having an adverse effect on the Group's revenue in the analyzed period, especially in Q2, was the decreasing USD/PLN exchange rate.

The cost of sale was PLN 116.3 million, which was PLN 20 million (15%) down from the analogical period in 2022 (PLN 136.3 million). The drop resulted mainly from the higher user acquisition costs, which were PLN 69.2 million and were down by PLN 20.2 million (i.e. o 23%) from H1 2022. At the same time, the cost of platform commissions grew by PLN 2.8 million. Furthermore, rev share costs dropped in H1 2023 to PLN 10.4 million, which was down by PLN 1.9 million (i.e. o 16%) from the analogical period in the previous year. The share of the main variable costs in relation to revenue was similar as in the analogical period of the previous year.

In the current reporting period, the Group was also involved in blockchain-based projects, pursued through BoomLand FZ-LLC and PlayEmber FZ-LLC. The total expenses incurred in connection with the execution of the projects was PLN 7.7 million in the 6 months ended 30 June 2023 (versus the PLN 4.6 million in the analogical period in the previous year), of which PLN 4.9 million (versus the PLN 3.0 million in the benchmarking period) was recognized in the profit and loss account. In 2023, the Group started to earn revenue from this business segment; by 30 June 2023, the revenue was PLN 0.9 million.

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 sale, which were PLN 10.7 million in the current period – PLN 0.7 million up from the analogical 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 2.4 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 third-party developers, whose non-capitalized production costs were similar to the level from H1 2022, reaching PLN 3.2 million in the current period.

General administrative costs increased by 11% YoY, i.e. by PLN 0.9 million versus the analogical period in the previous year and they were PLN 9.0 million. The increase results mainly from the recognition of a provision for incentive schemes, which have increased by PLN 1.1 million from last year's figures for the analogical period and totaled PLN 1.3 million.

The profit/loss on financial activities is related mainly to a one-time event, i.e. fair value revaluation of the shares held in an unrelated party SuperScale s.r.o. For more about this, see section 2 of this report.

EBITDA (calculated as operating result less depreciation and amortization) adjusted by one-time events was PLN 6.4 million in the current period (versus PLN 11.8 million in the previous year), while net profit/loss adjusted by one-off events was PLN -0,1 million (versus PLN 5.0 in the analogical period last year).

The effective tax rate of the Group was 34.1% in the analyzed rate – a 7.1% YoY growth. The difference results from the IP box tax relief settled in 2022 and from absence of income taxation for the companies registered in the United Arab Emirates, which recorded losses in H1 2023 but no deferred income asset was recognized, as well as from the write-off of the deferred tax asset on the tax loss in Skyloft sp. z o.o.





The Group's total assets as at 30 June 2023 were PLN 152.5 million, i.e. PLN 12.5 million up from 2022. The increase results primarily from the increase in the value of shares, which was PLN 13.6 million at the end of the current period, i.e. PLN 10.1 million up from the closing balance of the previous year. The increase is also linked to the revaluation of the SuperScale s.r.o. shares to fair value. Other factors that contributed to the increase include intangible assets, which were PLN 31.2 million at the end of the current period, i.e. PLN 6.3 million up from the December 2022 closing balance. The increase is mostly the outcome of higher outlays on Mid-Code and Casual games. At the same time, trade receivables dropped by PLN 3.9 million from the 2022 closing balance.

As far as liabilities are concerned, the total liabilities were PLN 81.2 million, which was a PLN 14.8 million increase versus the December 2022 closing balance. The increase results mainly from the recognition of a PLN 10.4 million dividend liability, which was paid in 2023. Furthermore, the increase results from the PLN 3.5 million deferred tax liability increase and from the PLN 0.7 million in the SAFT liability increase regarding the blockchain segment versus the 2023 closing balance.


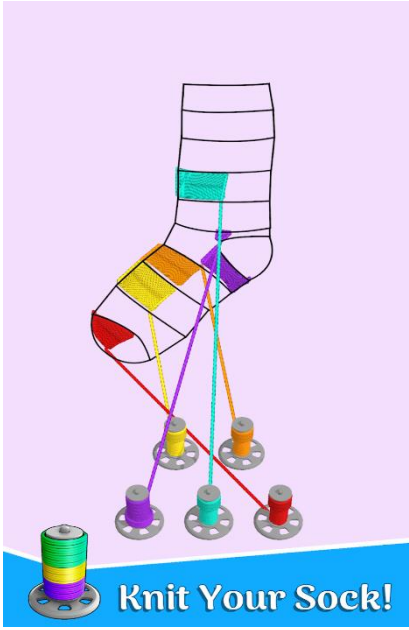


1.2 Mobile games

In 2023, by the date of this the report, the Group and its affiliates released a total of 13 games on iOS and Android – of which 9 are Hyper-Casual games and 4 are Mid-Core games – and 8 games released in the Premium model on Nintendo Switch and Steam. In H2 2023, the first games premiered on Crazy Games and Bemobi (HTML5 games). Until the date of this report, 9 games were released on Crazy Games and 4 on Bemobi. The Group continues to work with new platforms and expands its game distribution channels to secure additional stable sources of revenue from the existing titles.



The most important titles released in 2023 by the publication date of this report are presented in the table below.

Name of the Game	Description	Images
<p>Ship Ramp Jumping (released on 10 January 2023)</p> 	<p>Hyper-Casual</p> <p>Spectacular stunts unlike anything the world has seen before! Throwing a multi-ton ship off a ramp seems an absurd effort but it seems that in the safe conditions of a mobile game it offers remarkable, thrilling fun!</p> <p>Main source of revenue: advertisements</p>	
<p>Royal Merge (released on 27 January 2023)</p> 	<p>Mid-Core</p> <p>A unique combination of a logical Merge game with a game of building one's own kingdom and keeping a faithful pet dragon. All this with hand-painted and incredibly colorful artwork. BoomPick's latest game, Royal Merge breaks with traditional gameplay clichés and offers a combination to everyone's satisfaction.</p> <p>Main source of revenue: micropayments and advertisements</p>	

<p>Fight Master (released on 15 February 2023)</p> 	<p>Hyper-Casual</p> <p>Something for adrenaline-thirsty players with nerves of steel. The player participates in a series of duels in various settings. From box through MMA to swords fights of knights. There is no room for the weak or for boredom!</p> <p>Main source of revenue: advertisements</p>	
<p>Mine & Slash (released on 28 March 2023)</p> 	<p>Mid-Core</p> <p>A game making use of the popular RPG theme of visiting ancient dungeons, mines and other underground places full of danger and treasure. The player develops their character by adding new skills, winning more and more powerful gear and fighting monsters for the title of a hero and endless wealth!</p> <p>Main source of revenue: micropayments and advertisements</p>	

<p>Puzzle Thread: Color Sort (released on 28 April 2023)</p> 	<p>Hyper-Casual</p> <p>Is it possible to combine the passion for crocheting and designing clothes with logical challenges? It definitely is, as Puzzle Thread: Color Sort shows. Players enter the fascinating world of yarn, colors and amazing clothes across over 100 levels. This is a challenge for both intelligence and creativity.</p> <p>Main source of revenue: advertisements</p>	 <p>Knit Your Sock!</p>
<p>Cat Life Simulator (released on 28 April 2023)</p> 	<p>Hyper-Casual</p> <p>Something for cat lovers. What is it like to see the world through the eyes of a pet? The answer to the question lies in the Cat Life Simulator. The Player has full control over their furry friend. From its creation and personalization to various decisions linked to its life. The road to a happy life of the pet will be scattered with tough decisions and plenty of surprises!</p> <p>Main source of revenue: advertisements</p>	 <p>Cross the ROAD</p>

<p>Momlife Simulator (released on 28 April 2023)</p> 	<p>Hyper-Casual</p> <p>And here is something for those who find the life of a little human more fascinating than that of a little pet. The Player becomes responsible for the development of the child from the moment of birth to adulthood. The Player's actions, whether big or small, shape the future life of the protagonist. The decisions about their personality, habits and behavior may have serious consequences in the future so they are worth giving a thought!</p> <p>Main source of revenue: advertisements</p>	
<p>Shotgun Club (released on 01 June 2023)</p> 	<p>Mid-Core</p> <p>A game for enthusiasts of guns and recreational shooting. The player has a plethora of realistically depicted weapons and inventive arenas to test their eye and reflexes. All this with the online PvP mode so players compete with people from all over the world.</p> <p>Main source of revenue: micropayments and advertisements</p>	

<p>Idle Farm: Harvest Empire (released on 13 September 2023)</p> 	<p>Mid-Core</p> <p>An easy economic game where the player builds and manages a farm. Taking care of the crops and the condition of the farm is rewarded with money for further improvements and growth. A perfect escape from the grey reality to a simple life in harmony with nature that is relaxing and at the same time challenging.</p> <p>Main source of revenue: micropayments and advertisements</p>	
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In H1 2023, the Group's performance was under the positive impact of Mid-Core and Casual games (Hunt Royale and Darts Club), which earned about PLN 78.9 million, i.e. 19% up from the analogical period of 2022. The total costs of user acquisition, rev share and distribution platforms' commissions were about PLN 58.2 million. The revenue from Hyper-Casual games was PLN 48.4 million, i.e. 41% down from H1 2022. The lower revenue from this game segment was the outcome of the limited expenses on marketing campaigns for the existing games and of the fewer releases of these types of games in the current period. In the Company's assessment, both phenomena are caused by the worse economy on mobile advertising market and the growing saturation of the market of Hyper-Casual games. Given these trends, the Company has been recently more focused on its growing portfolio of Mid-Core games. The most profitable titles included Base Jump Wingsuit, Crazy Plane Landing, as well as games released in 2023, i.e. Ship Ramp Jumping and Fight Master. The total costs of user acquisition, rev share and distribution platforms' commissions were about PLN 35.9 million.

1.3 Blockchain projects

The Group recognized the first revenue in the blockchain segment which pertained to the sale of the NFTs by BoomLand FZ-LLC ("BoomLand"). In H1 2023, the NFT sales revenue was PLN 6 million. In 2023, until the signature date of this report, BoomLand signed other SAFTs for a total of USD 350,000. The total third-party funding obtained by the date of this report is USD 921,000 (payment in \$USDC and \$USDT tokens) from the SAFTs (Simple Agreements for Future Tokens) regarding the sale of \$BOOM tokens.

In July 2023, Hunters on Chain was released on the Polygon blockchain main network on an early access basis. In August 2023, a mobile version of this title was also released. In the same month another sale of the NFTs took place. Until the publication date of this report, BoomLand's total NFT sales revenue was about PLN 1.0 million. The \$BOOM token is planned to be issued in Q4 2023.

In accordance with the data from DappRadar, PlayEmber is ranked second among the games present in the NEAR network in terms of the UAWs. So far, PlayEmber FZ-LLC has also received approximately USD 2.6 million from third

parties (payment in \$USDC and \$NEAR tokens) under the SAFTs for the sale of \$EMBR tokens and under the business contract with the NEAR Foundation. In Q2 2023, the Company achieved all the milestones under the Near Foundation grant agreement signed on 2022. The total revenue on that account was USD 500,000 and it will be settled on a linear basis over 12 months. The Company continues to work with the Near Foundation and as a part of this partnership it will receive the consideration the moment it achieves the milestones regarding the number of active wallets in the NEAR network (Weakly Active Wallets) created by the users of PlayEmber games. In September 2023, the Company achieved the first milestone under that agreement and received USD 350,000 (payable in the USDC cryptocurrency).

Details of the financial standing and performance of this segment of the Group's activity in H1 2023 are presented in Note 6 of the consolidated interim financial statements.

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

As described in Note 16 of the consolidated interim financial statements, another investment round was held at SuperScale s.r.o. in June 2023. The main investor of that round was Future Fund A.S. with its registered office in Bratislava, a fund co-created by the European Investment Bank and the Slovakian Ministry of Finance. As a part of that round, SuperScale s.r.o. secured almost EUR 5 million in exchange for newly issued shares. After the registration of the changes in the shareholder structure, BoomBit now holds S.r.o. 11.38% of shares in the share capital of SuperScale s.r.o. In connection with the above transaction, the Company measured the SuperScale s.r.o. shares at fair value based on the number of shares and the subscription prices for the investors participating in the investment round. As a result of the measurement, the fair value of the shares was PLN 13.6 million, which means an increase by PLN 10.1 million, which was recognized in the Company's profit and loss account as financial revenue.

There were no other unusual factors and events which had a significant impact on the consolidated interim financial statements. Other one-time factors and events are described in section 1.

3 Changes in the organization of the issuer's group

The organization of the issuer's Group recorded a change in the current reporting period.

On 5 September 2023, the Company acquired 51% Mobile Esports Sp. z o.o. ("ME") shares for a total of PLN 3,874. ME will use a free-to-play platform to offer users a possibility of taking part in competitions where they can win real prizes. From the perspective of developers, the platform will be an alternative user acquisition channel.

On 12 September 2023, BoomHits Sp. z o.o. purchased 50% of SkyLoft Sp. z o.o. shares for PLN 2,500, thus becoming the holder of 100% of the shares.

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 2023.

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 semi-annual report (25 September 2023):

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1838 839	2,838,839	13.58%	14.53%
Marcin Olejarz	1902 850	2,902,850	14.05%	14.86%
ATM Grupa S.A.	4,000,000	6,000,000	29.54%	30.71%
We Are One Ltd.*	3,725,000	5,725,000	27.51%	29.30%
Other shareholders	2,073,311	2,073,311	15.31%	10.61%
	13,540,000	19,540,000	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 35,000 shares on 26/06/2023 (ESPI current report no. 19/2023).

Shareholders with at least 5% of votes at the General Meeting as at 30 June 2023 and as at the publication date of the previous interim report, i.e. report for Q1 2023:

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1838 839	2,838,839	13.58%	14.53%
Marcin Olejarz	1867 850	2,867,850	13.77%	14.68%
ATM Grupa S.A.	4,000,000	6,000,000	29.54%	30.71%
We Are One Ltd.*	3,725,000	5,725,000	27.51%	29.30%
Other shareholders	2,108,311	2,108,311	15.60%	10.78%
	13,540,000	19,540,000	100.00%	100.00%

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 against a Finnish developer of mobile games 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 had 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 was reviewed by the Court, the enforcement actions were 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. On 24 March 2023, the Company received a report on the financial standing of the business partner, which was prepared by the administrator managing the restructuring. On 26 April 2023, the business partner filed for bankruptcy.

Until the date of these financial statements, the Company recovered:

- EUR 107,000 – from SuperScale Sp. z o.o. in connection with the guarantee granted by that company with regard to an unpaid amount owed by the business partner,
- EUR 46,000 – as a part of the debt collection proceedings conducted so far.

Based on an analysis of the scenarios regarding the possibility of recovering the overdue amounts from the business partner, the Company created an impairment loss of PLN 211,000 in 2022. In conjunction with the bankruptcy petition filed by the business partner in Q1 2023, the Company created an impairment loss on 100% of the remaining receivable in the amount of PLN 149,000.

On 27 October 2021, the subsidiary TapNice Sp. z o.o. filed an application to the Head of the Third Tax authority in Gdańsk to confirm and return an overpayment of PLN 1.1 million arising from the corporate income tax settlements of TapNice Sp. z o.o. for 2020 in the in connection with the application by the company of the provisions of the Polish Corporate Income Tax Act of 15 February 1992 which provide for a preferential tax rate of 5% for income received from qualifying intellectual property rights ("IP box"). On 27 January 2023, TapNice Sp. z o.o. received the decision of the Head of the Third Tax Authority in Gdańsk denying the existence of an overpayment. The Company appealed against this decision on 13 February 2023. On 01 June 2023, a decision of the Head of the Tax Administration Chamber in Gdańsk repealed the decision of the first-instance authority and the case was returned to the first-instance authority for reconsideration.

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 subsidiary.

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

Commercialization of marketing tools

Poorer sentiment on the market of mobile games currently forces smaller industry players to seek business partners to develop and scale their products. From the perspective of the Group, this is a great opportunity:

- to continue to grow by being able to join interesting projects at an advanced implementation stage,
- find high-class specialists on the market especially in the context of workforce reductions by other entities in the industry.

Furthermore, the Group is in the process of commercializing selected areas of its activity which have been used so far only for internal purposes and to perform publishing agreements. This applies for instance to original BI tools, marketing creations (especially playable ads) and marketing campaigns. In addition, the Group is planning to launch a free-to-play platform that offers the users a possibility of taking part in competitions where they can win real prizes.

This is why the Group is intensifying its presence at industry events and continues to develop dedicated teams.

Change of Unity pricing

On 12 September 2023, Unity Technologies (hereinafter: "Unity") announced new pricing, i.e. introduction of the Unity Runtime Fee (hereinafter: "Unity Fee"), which is going to apply to developers who create games using the Unity engine starting from 01 January 2024. The new fee will apply to games with more than 1 million installations and with revenue of at least USD 1 million over the past 12 months. Every subsequent installation of a game meeting the above criteria will be subject to a fee between USD 0.005 and USD 0.20, depending on the number of downloads, the country where the game was installed and the type of the Unity license held by the developer. According to the information from Unity, strategic partners such as the Company are to be exempted from this fee for all games based on Unity LevelPlay ad mediation (former Ironsource). About 95% of the Group's advertising revenue is mediated by Unity LevelPlay. In view of the foregoing, the Group is not currently expecting the Unity pricing change to significantly affect its operations and future profit/loss. At the same time, the Group continues to identify the risk described in Note 11.1 linked to the providers of the technologies used in the development of games. In connection with the critical opinions of its customers and partners, Unity declared to revise the pricing on 18 September 2023.

Macroeconomic factors

The macroeconomic factors that may affect the Group's growth prospects in the current financial year are especially the volatility of the PLN exchange rate, the high inflation and the related wage pressure.

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

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

11 Risk management

This section presents the information about the main risk factors connected with the BoomBit Group. The list is not exhaustive. Given the complexity and variability of the conditions of running the business, there may be other factors, not included herein, which could negatively affect the activity of BoomBit and its financial standing.

The Board of Directors of BoomBit attempts to minimize the Company's exposure to all diagnosed risks in its management of the business.

The order in which the following risk factors are presented does not reflect their significance, likelihood or potential impact on the activity of the BoomBit Group.

11.1 Risk factors related to the environment in which the BoomBit Group operates

Risks related to the macroeconomic environment

The BoomBit Group runs its business in international markets – mainly in Europe, North America and Asia. Changes of macroeconomic factors in the global market, such as the GDP growth rate, the income and expenses of households, the level of wages, the fiscal and monetary policy, are beyond the control of the BoomBit Group but they have an impact on the Group's revenue. Bad economy in the global market may result in reduction of household consumer expenses, reduced demand for entertainment services and products, which are not basic necessities, and worse access to funds. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk related to the war in Ukraine

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

The Group sees the following factors which may influence the markets and the Group's development prospects in subsequent quarters in connection with the armed conflict in Ukraine:

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

Risk related to changes in tax legislation

Changes in domestic and EU tax legislation have a major impact on the BoomBit Group. The policy of tax authorities and the court judgments as regards the tax legislation are not uniform. This creates a potential risk that tax authorities may adopt a different interpretation of the law than the BoomBit Group, which may result in tax arrears. Changes in indirect taxes are an additional risk for the BoomBit Group as they may have a negative impact on the Group's financial standing. Any VAT changes may adversely affect the profitability of the Group's products in connection with reduced demand from the final recipients.

Risk related to introduction of stricter legislation that applies to the sale of BoomBit products

Considering the specificity of the products offered by the BoomBit Group, there is a risk that the government may introduce stricter legislation that applies to the sale of such products, e.g. legislation limiting the age groups of the consumers to whom the BoomBit Group's products may be addressed. Considering the tendency to promote an active lifestyle, there is a risk that similar rules will be introduced in countries where the BoomBit Group's products are distributed. Stricter legislation regulating the sale of the products offered by the Group may adversely affect the sales results of the BoomBit Group companies and, as a consequence, the financial results of the BoomBit Group.

Risk of additional legal restrictions

Given the specificity of the BoomBit Group's products, their content may fail to meet some unusual requirements laid down in the applicable laws. Games must be adapted to the theme and their purpose, which is why they often contain violence, coarse language and content prohibited for minors. At the same time, it is hard to limit the contact of children and young people with products intended for adults if those products are generally available. So there is a risk that stricter legislation may be introduced in a certain market where a BoomBit Group company operates and exclude some of the BoomBit Group's products from trade. Such specific legislation could adversely affect the activity of the BoomBit Group and result in a drop in sales and thus in deterioration of the BoomBit Group's financial results.

Risk related to personal data protection

Within its business, and especially in connection with running the business through the Internet and with a loyalty program, BoomBit S.A. is a controller of detailed personal data of particular customers and such data are protected under the Polish Personal Data Protection Act. Personal data are processed by the Group on the terms as defined in the applicable laws, and especially in the Polish Personal Data Protection Act and in the GDPR. Since BoomBit employees

provide customer service, there is a risk of unauthorized disclosure of personal data, e.g. through illegal actions of an employee, or a risk of data loss as a result of failure of the IT systems used by the Group.

If any data protection legislation is breached or personal data are disclosed in violation of the law, the Group may face criminal or administrative sanctions imposed against it or the members of the governing bodies of the Group's companies. Unlawful disclosure of personal data may also result in civil claims against the Group, especially for infringement of personal rights.

Breach of personal data protection regulations may also adversely affect the reputation or credibility of the Group and as such decrease the Group's customer base and have a significant negative impact on the activity, results, situation or growth prospects of the Group, as well as the share price.

Risk of changes to privacy rules

The Group sees the risk of further changes in the privacy policies of distribution platforms, including Google Play, due to the expansion of the "Privacy Sandbox" initiative to include phones with Android. The purpose of such actions is to limit the possibility of tracking the user within an app and limit the possibility of obtaining data and transmitting them to advertising networks. Google is currently testing the solution on a small number of devices on Android 13 and the above changes are estimated to be introduced worldwide in Q3 of 2024. For more details on the coming changes, go to: <https://www.privacysandbox.com/>

The above changes may lead to turbulence in the advertising market analogical to that following the changes introduced by Apple in 2021, i.e. reduced effectiveness of the targeted marketing campaigns and poorer accuracy of the data reported by advertising networks.

Foreign exchange risk

The BoomBit Group is exposed to a currency risk in its business. 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. As a result, the value of the BoomBit Group's revenue is negatively correlated to the value of the Polish currency. Appreciation of PLN against USD, EUR and GBP may have a negative impact on some of the presented items of the BoomBit Group's consolidated financial statements, and especially on revenue on sales, which may in turn have a negative impact on the Group's financial result considering that fixed production costs are borne in PLN. Furthermore, since some specialists in the Group are paid in EUR and in GBP, any appreciation of these currencies versus other currencies (especially USD) may adversely affect some of the presented items of the consolidated financial statements. The BoomBit Group regularly analyzes the need to apply hedging against the currency risk. As at the date of this report, the BoomBit Group does not apply any hedging to secure itself against the currency risk.

Risk related the situation in the advertising industry

The most important item of the BoomBit Group's revenue is currently revenue on advertising. As a consequence, the situation in the advertising industry is a factor that determines the profit/loss of the BoomBit Group. The advertising industry, including the online advertising industry, is highly vulnerable to economy fluctuations. Quick economic growth as measured by the GDP growth is conducive to the growth of that market, while a mere GDP growth slowdown may significantly reduce the value of advertising expenses. A risk of a considerable drop of demand on the part of advertisers during bad economy cannot be ruled out; it could result in a drop in revenue and deterioration of the BoomBit Group's financial standing. The risk of bad economy in the industry is closely tied to the situation in the market of mobile games

because games represent the majority of advertisements displayed inside apps. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Competition risk

Due to the low entry barriers for new entities and easy access to global distribution of new products, the market of mobile games is a competitive market. Consumers are offered a wide range of often similar products. The competitive market requires the BoomBit Group to continue to improve the quality of products and search for new themes that could attract the interest of a wide audience. New products keep emerging in the market which creates the risk that the recipients may lose interest in some of the BoomBit Group's products in favor of the products of its competitors. Poorer sentiment on the market of mobile games currently forces smaller industry players to seek business partners to develop and scale their products. From the perspective of the Group, this is a major growth opportunity as it offers a chance of engaging in exciting projects at an advanced stage. The BoomBit Group operates in an international market, which is why its business can be adversely affected by the activity of competitive entities worldwide. The game production market is a developing market so there is a risk that new competitors of the BoomBit Group may appear and offer similar products. This may reduce the interest of consumers in the BoomBit Group's products in some or all geographic markets where the BoomBit Group operates. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk related to consolidation of competitors

The consolidation processes with the involvement of the BoomBit Group's competitors may strengthen their market position and thus weaken the position of the BoomBit Group in the domestic and international market. This may adversely affect the operations and financial results of the BoomBit Group.

Risk of becoming dependent on key distributors

The BoomBit Group identifies dependency on the entities managing the key distribution platforms, i.e. Google and Apple. The revenue of the BoomBit Group comes from games distributed by those entities through their digital distribution platforms or websites. Those entities are also among the largest game and app distributors worldwide. Any change in the policy of Google and Apple as regards acceptance of products for distribution will require the BoomBit Group to adapt its existing or future products, which may be tough to achieve in a short period or may generate additional high costs. There is also a risk that distribution will be limited if a business partner exercises the rights reserved for it in its contract with the BoomBit Group or arising from its internal regulations. There is also a risk that a business partner may terminate the contract.

From the perspective of the interest of the BoomBit Group, reliability of the IT systems of the distributors is also important as it ensures efficient sale of the BoomBit Group's products. Any failure of such systems may lead to the following adverse situations, which may arise either jointly or separately:

- limited access to the game for existing players;
- lack of possibility to process micropayments of the players using the game;
- inability of potential new players to download the game.

In the case of a failure resulting in particular in one of the above situations, as well as any downtimes, strikes or losses of hardware or software of service providers, the BoomBit Group could face a downtime in its operations, leading to

stagnation in the sale of the BoomBit Group's products, which could adversely affect the performance of the BoomBit Group. There is also another issue that has an impact on the BoomBit Group's business – namely, the said distributors have a right, in their relations with BoomBit Group companies, to verify the product they are accepting for compliance with their internal regulations, so the BoomBit Group faces a risk that a certain game of the BoomBit Group will not be accepted by a distributor due to the distributor's internal policy (e.g. internally adopted age limits of the recipients, restrictions on the topics allowed to be addressed in the games). A decision whether or not to admit a product to the platform also depends on whether the product meets a number of specific rules and requirements for its sale through the platform.

If App Store and Google Play fail to approve the games developed by the BoomBit Group or if the games receive bad ratings or the rating rules change unfavorably for the Group, this would limit game promotion possibilities and game availability, which would entail a substantial revenue drop, adversely affecting the financial results of the BoomBit Group.

The BoomBit Group also identifies dependency on the entities running the largest media agencies in the market. The revenue on the advertisements displayed inside the games released by the BoomBit Group is currently the most important item of the Group's revenue. Change in the policy of media agencies as regards advertisement display prices, change in the availability of advertisements, deterioration of the BoomBit Group's relations with the largest entities and their bankruptcy will require the BoomBit Group to adapt to the situation, which may be hard to achieve over a short period and may generate additional high costs.

The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk of unforeseen trends

There is a risk that unforeseen trends may emerge in the market of mobile games and that the existing products of the BoomBit Group will be inconsistent with such trends. Likewise, a new BoomBit Group product created for the current preferences of consumers may be met with poor reception due to a sudden change of trends and, consequently, the return on investment in the form of production costs and marketing costs may not be as high as was originally estimated by the Board of Directors of BoomBit. Such situations may adversely affect the operations and financial results of the BoomBit Group.

Risk that a game will not be promoted by the distributors

The games being featured on the sales platforms and promoted by the key distributors of the BoomBit Group's games are factors substantially contributing to the sales of the BoomBit Group's products. At the same time, the BoomBit Group has no impact on the featuring by the distributors. So there is a risk that a game of the BoomBit Group will not be featured, which may result in lower than expected interest in the Group's product on the part of the consumers and, consequently, this may affect the sales of the product. The risk is typical of the electronic entertainment industry, where many game developers compete for access to the customer every day.

Risk related to suppliers of the technologies used to develop games

In its mobile game development process, the BoomBit Group uses only Unity 3D – by buying a periodic subscription with access to the technology from the developer of the engine. Unity 3D is an environment for software developers created by a third party Unity Technologies, which provides the basic solutions for those who create games for various platforms. The BoomBit Group as the customer (after buying the license) may write its own game code, choosing from the solutions provided by Unity Technologies, while the solutions crucial for a particular game are created by the BoomBit Group's developers, not by Unity Technologies.

This entails two risk factors:

- the fees for use of the engine may increase so much that the Group will be unable to use it while retaining appropriate profitability and
- the supplier of the technology may be affected by certain events or circumstances which will result in the technology no longer being developed or being completely withdrawn from the market.

Materialization of either risk factor would hinder the development of new games and the modernization or revision of previously produced apps. The BoomBit Group uses also elements supplied by third parties in its business. The activity of the BoomBit Group in the development and, in certain cases, promotion of games depends on having a license or consent granted by third parties. Termination of license agreements for whatever reason may actually prevent the dissemination of the BoomBit Group's games and thus adversely affect its financial results. The risk arises e.g. with respect to Unity 3D. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of Shares. It must be noted that Unity 3D is not the only engine which the Group may use in its business, which is why we cannot say the Group is dependent on the technology. Moreover, the engine is created by an entity with a high and stable market position, and the risk of that entity shutting down its business or deciding to no longer offer Unity 3D must be deemed insignificant.

As described in Note 9, Unity introduces a new price list on 1 January 2024 where the fees will depend on the number of downloads of a given game based on this engine. At the same time, due to the strategic partnership regarding ad mediation on the Unity LevelPlay platform, the Group does not expect the new pricing to materially increase the fees for the Group. However, the Group notices the risk that the exemption from the Unity fee may be lifted in the future, which may increase the costs for the Group.

11.2 Risk factors related to the operations of the BoomBit Group

Risk related to loss of key team members and staff turnover

The competencies and know-how of the key employees, especially the executives and experienced developers and Publishing, User Acquisition and Business Intelligence specialists, are crucial for the activity of the BoomBit Group. If they leave, the BoomBit Group may lose its expertise and experience in the given area. Loss of the key members of a team working on a specific product may adversely affect the quality of the game and its completion deadline and, consequently, the product sales and the financial results of the BoomBit Group. Loss of senior management in the BoomBit Group may result in periodic deterioration of the BoomBit Group's financial results. The majority of the staff from BoomBit Group companies have operational jobs. They perform tasks that require expertise, skills and education. Considering the insufficient supply of employees with appropriate education profile, the BoomBit Group faces the risk that some operational employees may quit and thus weaken the organizational structure on which the activity of the

BoomBit Group relies. Such situations may affect the stability of the BoomBit Group's activity and may require it to raise the salaries in order to retain the staff. This may increase the costs of the BoomBit Group's activity. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk related to delays in game development

Game development is a complex and multi-stage process, depending not only on the human factor and on the completion of subsequent game stages but also on technical factors. So there is a risk that delays at one development stage may result in delayed completion of the whole game. Failure to comply with the assumed development schedule may delay the game première, which in turn may adversely affect the sales of the product and prevent the BoomBit Group from achieving the anticipated financial results. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk of deterioration of the image of the BoomBit Group

The image of the BoomBit Group is influenced by opinions of consumers, and especially opinions posted online, in particular through specialised game review websites and on distribution platforms. Distribution takes place mainly through digital channels so negative opinions may cause the customers and business partners of the BoomBit Group to lose trust and may affect the Group's reputation. The image of the BoomBit Group may also be affected by unpredicted errors in the game code which make it hard or impossible to use it. This could adversely affect the financial results of the BoomBit Group.

Risk related to litigations and administrative proceedings

There are no litigations or administrative proceedings pending against the BoomBit Group which would have a material impact on its business. However, the Group's activity in the industry of sale of products to consumers entails a potential risk connected with customer claims regarding the products. The BoomBit Group also signs business contracts with third parties whereunder both parties have mutual obligations. So there is a risk of disputes and claims arising out of business contracts. Such disputes or claims may adversely affect the reputation of the BoomBit Group and, consequently, its financial results.

Risk related to loss of financial liquidity

The BoomBit Group may face a situation where it is unable to settle its payment obligations when due. Furthermore, the Group faces a risk connected with the key clients' failure to perform their contractual obligations towards the BoomBit Group, e.g. failure of the online platforms that distribute the Group's products to make the payments when due. This may adversely affect the liquidity of the BoomBit Group and may require the Group to make impairment losses on receivables.

As at the date hereof, the Group does not identify any material risks connected with current financial liquidity.

Risk of fortuitous events

The BoomBit Group faces a risk of emergency events, such as breakdowns (e.g. of electricity grids, both internally and externally), disasters, including natural disasters, warfare and others. This may result in reduced performance of the BoomBit Group or in complete shutdown of business. This puts the BoomBit Group at a risk of lower revenue or additional costs as it may be obligated to pay contractual penalties for non-performance or improper performance of a

contract with a client. Such circumstances may significantly adversely affect the BoomBit Group's business and financial standing.

Human factor risk

The development activity of the BoomBit Group is carried out with the involvement of contractors and employees hired under employment contracts or otherwise. The actions taken by such contractors and employees during work may lead to errors caused by improper performance of duty by such contractors and employees. Their actions may be either intentional or unintentional and they may delay the development of games. Materialization of that risk may subsequently lead to deterioration of the BoomBit Group's financial results.

Risk of downtime and failure of an IT system

In its activity, the BoomBit Group uses advanced IT systems based on modern technologies to create top-quality games. Additionally, the BoomBit Group uses infrastructure owned by third parties in its business. The above business model entails a risk of breakdowns not only on the part of the BoomBit Group but also on the part of the parties that have even technical roles in the provision of services by the BoomBit Group. In the case of breakdown or loss of elements of the IT infrastructure, and especially any hardware, software and parts of or the whole code for games in progress or existing games, the BoomBit Group could face downtime in its operations, with lack of access to the necessary data, which could adversely affect the process of creating the BoomBit Group's products and the Group's financial results. Frequent failures could reduce interest in the products offered by the BoomBit Group. Additionally, the activity involving data exchange through an ICT system may be a target of cyberattacks, which may hinder or prevent proper functioning of the BoomBit Group's products. Materialization of the above risk could affect the financial results of the BoomBit Group, and especially the costs connected with the need to incur expenses to remove the consequences of the attack. Furthermore, there is a risk that confidential data related to a game that is currently under development may be stolen. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk related to breakdown of the equipment used in the activity of the BoomBit Group

The activity of the BoomBit Group relies in particular on properly functioning electronic equipment. There is a risk that in the event of an equipment breakdown that cannot be immediately fixed the BoomBit Group may be forced to temporarily suspend some or all of its operations until the breakdown is fixed. Equipment breakdown may also lead to loss of data forming an element of the work on a game or data of the players (e.g. progress in the game, the items purchased in the game). A business interruption or loss of data critical for a project may render the BoomBit Group unable to perform its obligations under contracts or may even cause it to lose contracts, which may adversely affect the Group's financial results. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk related to development of games similar to those of the competitors

The functionality of certain products of the BoomBit Group may be slightly similar to products of the Group's competitors. As a result, the competitors may claim infringement of industrial property rights, copyright or unfair competition and bring action. And vice versa – there is a risk that competitors may develop games similar to the products of the BoomBit Group. The risk that an idea of the BoomBit Group will be used by its competitors is related mainly to the activity of such competitors in global markets.

The domestic market is governed by the Polish Copyright and Related Rights Act of 4 February 1994. Under that Act, works may be protected under copyright, with work understood as any manifestation of individual creative activity, however recorded, notwithstanding its value, intended use or creation method. So the games made by the BoomBit Group fall within the definition of a work, which makes the BoomBit Group the holder of copyright in such games. So the Group has the remedies laid down in the Polish law to protect its copyright and prevent copyright infringement. However, there is a risk that no analogical protection is provided to game developers by the law of other countries where the BoomBit Group's products are offered. In particular, some systems may not treat game developers as holders of copyright. As a result, there is a risk that infringements of the BoomBit Group's copyright will continue for a long time and will affect the BoomBit Group's operating activity and financial results.

Risk related to transactions with affiliates

The BoomBit Group's Companies enter into transactions with affiliates. If tax authorities challenge the way the BoomBit Group determines arm's length terms of transactions with affiliates, there is a risk of tax consequences negative for the BoomBit Group, which may adversely affect the activity, financial standing and performance of the BoomBit Group.

Risk related to inadequate insurance cover

The BoomBit Group concludes insurance contracts in the course of its activity. However, it cannot be ruled out that certain insurance risks materialize in the activity of the BoomBit Group to an extent going beyond the insurance coverage or that events not covered by insurance in any way arise. Such events may adversely affect the BoomBit Group performance.

Risk related to failure to execute the strategy of the BoomBit Group

Due to events beyond the control of the BoomBit Group, especially of legal, economic or social nature, the BoomBit Group may have trouble achieving objectives and executing its strategy or may be unable to execute it at all. It cannot be ruled out that as a result of changes in the external environment, the BoomBit Group will have to adapt or revise its objectives and strategy.

A similar situation may take place if strategy execution costs exceed the planned figures, e.g. in connection with the need to hire extra staff, change the shape or scope of the planned production, economic changes substantially increasing the costs of business or any breakdowns and emergencies resulting in the need to purchase new equipment. The situations may adversely affect strategy execution by the BoomBit Group and result in gains lower than originally assumed. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk of new platform and technology launches

The electronic entertainment market is developing rapidly so it cannot be ruled out that new technologies and platforms for players (e.g. new mobile systems) will be launched and quickly become popular with players. There is a risk that the BoomBit Group will be unable to develop games for new platforms soon enough to replace the proceeds from the games distributed on the old platforms with proceeds from products launched on new platforms. Furthermore, if new platforms are launched, the BoomBit Group will be forced to incur additional costs in order to adapt its production to such platforms. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk of foreign governing law in contracts

The BoomBit Group signs contracts with foreign entities in its business, which often means that a contract is governed by a foreign law. Consequently, there is a risk that if a dispute arises between the BoomBit Group and its business partner, the law of the foreign country will be the governing law. The Group has also signed contracts where courts of a foreign country have jurisdiction over disputes. If such disputes arise, the BoomBit Group may be forced to manage litigation abroad, which may entail high costs.

Risk that a game will not be successful in the market

The market of mobile games is characterized by limited predictability as to the consumers' demand for electronic entertainment products. The interest of players in products of the BoomBit Group depends also on factors beyond the control of the BoomBit Group, such as current trends or tastes of consumers. What matters for potential success is also the level of quality of the products that are already in the market and directly compete with products of the BoomBit Group (especially games representing similar themes), which determines a risk that the BoomBit Group may create a product that will not be met with sufficient interest on the part of potential customers. The costs connected with the development and market launch of a new game include primarily the expenses incurred on game development and updates and marketing expenses. The profitability of a particular game and the related possibility of covering the expenses incurred during its development is directly linked to the market success of the game, the scale whereof is measured by the difference between the revenue and the production costs plus marketing expenses.

An assessment of this risk must account for the fact that the time required to work on new products depends on the game genre and the project complexity level and it may range from several weeks to over a year.

At the initial development stage, the BoomBit Group is able to precisely predict neither the reaction of consumers nor the level of revenue on sales at the moment of game launch. Consequently, there is a risk that a new game of the BoomBit Group will fail to succeed in the market due to factors which the BoomBit Group was unable to predict. This may adversely affect the financial result of the BoomBit Group. The risk is a part of the BoomBit Group's daily activity. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk related to illegal access to games, game add-ons and features

Some players decide to use the products offered by the Group in breach of intellectual property laws. There are third parties who develop – and may be developed in the future – illegal software to allow the recipients of the games distributed by the BoomBit Group progress in the game or obtain fee-based game features without making the micropayments which, as intended by the BoomBit Group, are otherwise required for such features to be available. Dissemination of such software may reduce the demand of consumers for the virtual game elements provided by the BoomBit Group for a fee in the free-to-play model. Furthermore, such entities may offer unauthorized acquisition of the same or similar elements to the players. The risk factor may have a negative impact on the business, financial standing, growth prospects, performance of the BoomBit Group or the market price of shares.

Risk of claims related to intellectual property rights

In its activity, the BoomBit Group uses both software created by its employees and contractors and third-party software; it also outsources programming services related to the creation or further development of software.

In view of the above, it is not possible to completely rule out a situation where copyright is infringed in the course of the activity of the BoomBit Group. The infringement may take place as a result of using whole programs copyrighted

by third parties, or parts thereof, in the Group's services. This may happen either as a result of original unauthorized (also unconscious) use by the BoomBit Group of computer software or other copyrighted works or as a result of subsequent expiry of a right held by the BoomBit Group (e.g. as a result of license expiry or termination). The above also applies to legally protected databases used in programming.

The legal grounds for using such software by the BoomBit Group are appropriate license agreements or copyright transfer agreements. The BoomBit Group cannot guarantee in every case that software use rights have been acquired effectively or to the required extent or that no third parties will pursue claims regarding infringement of intellectual property rights against the BoomBit Group or that the protection of the rights to use such software will be effectively used by the BoomBit Group. Furthermore, it cannot be guaranteed that the BoomBit Group will be able in every case to renew the license and thus continue to use the software after the expiry of the original license term. Besides, considering the BoomBit Group's internal work on IT solutions carried out with the involvement of individuals hired by the BoomBit Group under civil law contracts, we cannot rule out situations where there is doubt whether the BoomBit Group has effectively, and to the required extent, acquired the copyright in the IT solutions created by such individuals. Consequently, the BoomBit Group may face the risk of third parties filing claims related to the software used by the BoomBit Group, which may adversely affect the business, performance, standing or development prospects of the BoomBit Group if the claims are found to be justified.

Risk related to infringement of intellectual property rights of the BoomBit Group

The BoomBit Group's intellectual property rights include but are not limited to: copyright, trademarks and rights in internet domains. There is a risk of unauthorized use of elements of the BoomBit Group's intellectual property, e.g. trademarks, or a risk that competitors will design their own services and products similar to or imitating the products of the BoomBit Group in a way that is confusing for the recipients. There is a risk that the activity of such entities will be perceived as activity of the BoomBit Group, which may adversely affect the reception of the activity of the BoomBit Group by the users.

Risk arising from family relations between members of BoomBit governing bodies

The Company's minority shareholders are Mrs Karolina Szablewska-Olejarz and Mr Marcin Olejarz, who are married. Mr Marcin Olejarz is the CEO, while Mrs Karolina Szablewska-Olejarz is the Chairwoman of the Supervisory Board. The existence of family relations between Mr Marcin Olejarz and Mrs Karolina Szablewska-Olejarz combined with them serving on different governing bodies of the Company (having different roles at the Company) may lead to a conflict of interests. According to BoomBit's Articles of association, a Director shall inform the Board of Directors and a Supervisory Board Member shall inform the Supervisory Board about any existing or potential conflict of interest related to their function and refrain from participating in the discussion and from voting on a resolution regarding the matters to which the conflict of interest applies.

Risk related to incomparability of performance in basic operations in particular years

The BoomBit Group business model is based mainly on proceeds from micropayments and from the advertisements displayed in the games released by the Group companies. In the course of the Group's current operations, there may be one-off transactions for significant amounts that do not follow the basic business model. The identified risk factor may result in incomparability of performance in the BoomBit Group Group's basic operations BoomBit in particular years.

11.3 Risk factors related to the capital market

Risk related to dividend payment in the future

Pursuant to Article 348(4) of the Polish Companies Code, the general meeting of a public company sets the record date and the dividend payment date. The maximum amount that can be allocated for distribution between the shareholders equals the profit for the last financial year plus non-distributed profit brought forward and the amounts transferred from any spare and reserve capitals created from profit less any non-covered losses, treasury shares and other amounts that should be allocated to the spare or reserve capital.

According to the above-listed components of the amount which may be allocated for distribution, the profits of the BoomBit Group play the key part. Despite exercising due diligence and taking any possible actions, the BoomBit Group may fail to achieve a profit allowing it to pay a dividend at all or to pay a dividend in the amount expected by the Investors.

Furthermore, the resolution on dividend payment is adopted by an absolute majority of votes. Considering the shareholding structure, it cannot be ruled out after the IPO and the listing of BoomBit in the stock market that the interests of minority shareholders may differ from the interests of the major shareholders. In view of the above, with appropriate distribution of votes, there is a possibility of passing a resolution on dividend payment which meets the expectations of the key shareholders.

Risk related to fluctuations in Share prices and to limited share trading liquidity

BoomBit share prices may undergo substantial fluctuations in connection with events and factors beyond the control of the BoomBit Group. Such events and factors include but are not limited to: changes in the financial results of BoomBit, changes in the profitability estimations prepared by analysts, changes in the prospects of various economy sectors, changes in the laws that influence the activity of the BoomBit Group and the general situation in the economy.

Stock markets experience considerable fluctuations in the prices and volume of trade every now and then, which may also adversely affect the market price of the Company's Shares. To optimize the rate of return, investors may be forced to make long-term investments because those instruments may not be appropriate as a short-term investment.

Admission of the Company's Shares to the stock market should not be interpreted as guaranteeing the trading liquidity. If an appropriate trading level is not reached or maintained, this may adversely affect the liquidity and the Share price. Even if an appropriate Share trading level is reached, the future market price of the Shares may still be lower than it is now. So there is not guarantee that a buyer of BoomBit's Shares will be able to sell them at any time and at a satisfactory price.

Risk related to failure to comply with the information requirements imposed on public companies

Public companies listed in the regulated market of the Giełda Papierów Wartościowych w Warszawie SA stock exchange are obligated to comply with information requirements, which include but are not limited to reporting current and periodic data to the Polish Financial Supervision Authority (KNF), to the company managing the regulated market and to the public in accordance with the Polish Act on Public Offering and the secondary legislation. If a public company fails to comply with the above requirements or complies with them improperly, the KNF may decide to exclude the securities from trading in the regulated market or fine the company (up to PLN 1,000,000.00, depending on the financial standing of the company), or apply both sanctions jointly (Article 96(1) of the Polish Act on Public Offering). Furthermore, pursuant to Article 98(7) of the Polish Act on Public Offering, BoomBit S.A. and the entity that participated in the preparation of the information referred to in Article 56(1) of the Polish Act on Public Offering are also obligated

to redress any damage made through publication of false information or concealment of information, unless neither BoomBit S.A. nor the individuals it is responsible for are at fault.

Furthermore, if an issuer fails to comply with or improperly complies with the requirements referred to in Article 17(1) and Article 17(4) through 17(8) of the Market Abuse Regulation, the KNF may decide to exclude the securities from trading in the regulated market, and if the issuer's securities are in an alternative trading system, it may decide to exclude the securities from trading in that system or it may impose a fine up to PLN 10,364,000.00 or up to 2% of the total annual revenue disclosed in the most recent audited financial statements for a financial year if it exceeds PLN 10,364,000.00 or it may impose both sanctions jointly. Where the amount of the benefit derived or loss averted by the issuer as a result of a breach of those requirements can be established, the Commission may, in lieu of the fine referred to in the aforesaid clause, impose a fine equal to three times the amount of the gain achieved or loss averted.

VI. MANAGEMENT BOARD STATEMENT

The Board of Directors of BoomBit S.A., composed of:

- 1) Marcin Olejarz – CEO
- 2) Anibal Jose Da Cunha Saraiva Soares – Vice-President
- 3) Marek Pertkiewicz – Director

confirms that, to the best of their knowledge, the condensed consolidated interim financial statements and the benchmarking data were prepared in accordance with current accounting policies and that they give a true and fair view of the Group's assets, financial position and financial result.

The management report presents a true view of development, accomplishments and situation of the BoomBit S.A. Group, including a description of the fundamental risks and threats.

These condensed consolidated interim financial statements for the 6 months ended 30 June 2023 were approved for publication on 25 September 2023.

Marcin Olejarz
CEO

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

Marek Pertkiewicz
Director