



BOOMBIT

BOOMBIT S.A. GROUP COMPLETE CONSOLIDATED INTERIM QUARTERLY REPORT

for the 9 months ended on 30 SEPTEMBER 2023

GDAŃSK, 27 NOVEMBER 2023

Table of contents

I.	SELECTED FINANCIAL DATA FOR THE COMPLETE CONSOLIDATED INTERIM REPORT OF THE BOOMBIT S.A. GROUP FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023	3
II.	CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BOOMBIT S.A. GROUP FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023	5
	Consolidated condensed interim statement of comprehensive income.....	5
	Consolidated condensed interim statement of financial position.....	6
	Consolidated condensed interim statement of changes in equity	7
	Consolidated interim condensed cash flow statement	8
1	General information about the BoomBit S.A. Group and its parent.....	9
2	Group structure.....	10
3	The basis for preparing the statements.....	11
4	Professional judgement and material estimates	12
5	Business seasonality.....	12
6	Operating segments	12
7	Contracts with customers.....	15
8	Cost of goods sold.....	16
9	Income tax	16
10	Intangible assets.....	17
11	Goodwill	18
12	Cryptographic assets	19
	The Group has the following cryptographic assets as at 30 September 2023:.....	19
13	Capital and equity	19
14	Earnings per share	20
15	Dividends.....	20
16	Financial instruments by type.....	21
17	Contingent liabilities and assets.....	23
18	Note to consolidated cash flow statement.....	23
19	Transactions with affiliates.....	24
20	Share-based payments	25
21	Subsequent events.....	27
III.	BOOMBIT S.A. CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023.....	28
	Condensed standalone interim statement of comprehensive income	28
	Condensed standalone interim statement of financial position	29
	Condensed standalone interim statement of changes in equity	30
	condensed standalone interim cash flow statement.....	31
IV.	MANAGEMENT REPORT FOR BOOMBIT S.A. FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023.....	33
1	Description of major achievements or failures of the issuer in the reporting period.....	33
2	Description of factors and events, also those of unusual nature, which had a significant impact on the consolidated financial statements.....	42
3	Changes in the organization of the issuer's group.....	42
4	Position of the Board of Directors concerning the possibility of materialization of the previously published profit/loss forecasts for the financial year.....	43
5	Shareholders holding at least 5% of votes at the General Meeting and the shares held by the managing and supervisory staff	43
6	Major litigations	43
7	Transactions with affiliates.....	44
8	Information of suretyships or guarantees.....	44
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	44
10	Factors that the Issuer believes will influence its results for a period not shorter than the nearest quarter	45

I. SELECTED FINANCIAL DATA FOR THE COMPLETE CONSOLIDATED INTERIM REPORT OF THE BOOMBIT S.A. GROUP FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023

Selected consolidated financial data

	9 months ended 30 September		9 months ended 30 September	
	2023	2022	2023	2022
	PLN '000		EUR '000	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue on sales of services	183,493	221,692	40,088	47,289
Cost of sales	(165,526)	(202,979)	(36,162)	(43,298)
Gross profit on sales	17,967	18,713	3,925	3,992
Operating profit/loss	1,978	11,060	432	2,359
Profit/loss before tax	13,250	9,084	2,895	1,938
Net profit/loss	8,563	7,682	1,871	1,639
Total comprehensive income	8,830	6,277	1,929	1,339
Total comprehensive income				
- attributable to shareholders of the parent	15,195	7,311	3,320	1,560
- attributable to minority interest	(6,365)	(1,034)	(1,390)	(221)
Profit/loss per share (in PLN/EUR) (basic)	1.10	0.65	0.24	0.14
Profit/loss per share (in PLN/EUR) (diluted)	1.10	0.65	0.24	0.14
Net cash flows from operating activity	22,117	19,074	4,832	4,069
Net cash flows from investment activity	(16,043)	(11,419)	(3,504)	(2,436)
Net cash flows from financial activity	(10,487)	(7,361)	(2,291)	(1,570)
Cash flows before exchange differences	(4,413)	294	(964)	63
Total net cash flows	(3,817)	253	(834)	54
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	PLN '000		EUR '000	
	(unaudited)	(audited)	(unaudited)	(audited)
Tangible assets	68,923	50,822	14,741	10837
Current assets	76,427	89,222	16,346	19,024
Total assets	145,350	140,044	31,088	29,861
Equity attributable to shareholders of the parent	82,938	77,732	17,739	16,574
Equity attributable to minority interest	(8,742)	(4,127)	(1,870)	(880)
Total equity	74,196	73,605	15,869	15,694
Long-term liabilities	6,994	2,506	1,496	534
Short-term liabilities	64,160	63,933	13,723	13,633
Total liabilities	71,154	66,439	15,218	14,167
Total equity and liabilities	145,350	140,044	31,088	29,861

Selected standalone financial data

	9 months ended		9 months ended	
	30 September		30 September	
	2023	2022	2023	2022
	PLN '000		EUR '000	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue on sales of services	125,195	140,531	27,351	29,977
Cost of sales	(102,834)	(118,396)	(22,466)	(25,255)
Gross profit on sales	22,361	22,135	4,885	4,722
Operating profit/loss	10,244	16,351	2,238	3,488
Profit/loss before tax	18,085	14,616	3,951	3,118
Net profit/loss	14,157	13,101	3,093	2,795
Total comprehensive income	14,157	13,101	3,093	2,795
Profit/loss per share (in PLN/EUR) (basic)	1.05	0.97	0.23	0.21
Profit/loss per share (in PLN/EUR) (diluted)	1.05	0.97	0.23	0.21
Net cash flows from operating activity	7,706	23,242	1,683	4,958
Net cash flows from investment activity	(16,097)	(7,987)	(3,517)	(1,704)
Net cash flows from financial activity	(169)	(7,360)	(37)	(1,570)
Cash flows before exchange differences	(8,560)	7,895	(1,871)	1,684
Total net cash flows	(7,947)	8,119	(1,736)	1,732
	30 September 31 December		30 September 31 December	
	2023	2022	2023	2022
	PLN '000		EUR '000	
	(unaudited)	(audited)	(unaudited)	(audited)
Tangible assets	51,830	38,334	11,181	8,174
Current assets	78,767	85,507	16,992	18,232
Total assets	130,597	123,841	28,173	26,406
Total equity	82,113	76,535	17,714	16,319
Long-term liabilities	5,805	2,672	1,252	570
Short-term liabilities	42,679	44,634	9,207	9,517
Total liabilities	48,484	47,306	10,459	10,087
Total equity and liabilities	130,597	123,841	28,173	26,406

The above financial data for 9 months of 2023 and 2022 and for the periods ended 30 September 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 September 2023 – 4.5773 EUR/PLN and from January to 30 September 2022 – 4.6880 EUR/PLN;
- asset and liability items – according to the average exchange rate defined by the National Bank of Poland (NBP) for 30 September 2023 – 4.6356 EUR/PLN, and for 31 December 2022 – 4.6899 EUR/PLN.

**II. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BOOMBIT S.A. GROUP
FOR THE 9 MONTHS ENDED 30 September 2023**

Consolidated condensed interim statement of comprehensive income

	Note	9 months ended	
		30 September	
		2023	2022
		(unaudited)	(unaudited)
Revenue on sales of services	7	183493	221692
Cost of sales	8	(165,526)	(202,979)
Gross profit on sales		17,967	18,713
General administrative costs	8	(13,090)	(12,073)
Other operating revenue		108	4788
Other operating costs		(3,007)	(368)
Operating profit/loss		1,978	11,060
Financial revenue		11,403	168
Financial costs		(131)	(2,144)
Profit/loss before tax		13,250	9,084
Income tax	9	(4,687)	(1,402)
Profit /(loss) on continued operations		8,563	7,682
Profit /(loss) on discontinued operations			
Net profit/loss		8,563	7,682
Other comprehensive income			
Items that may be reclassified to profit/loss in the future:		267	(1,405)
Exchange differences		267	(1,405)
Total other comprehensive income		267	(1,405)
Total comprehensive income		8,830	6,277
- attributable to shareholders of the parent		15,195	7,311
- attributable to minority interest		(6,365)	(1,034)
Net profit/loss			
- attributable to shareholders of the parent		14,891	8,716
- attributable to minority interest		(6,328)	(1,034)
Profit/loss per share attributable to shareholders of the parent company during the period (expressed as PLN per share)			
Basic	14	1.10	0.65
on continued operations		1.10	0.65
on discontinued operations		-	-
Diluted	14	1.10	0.65
on continued operations		1.10	0.65
on discontinued operations		-	-

Consolidated condensed interim statement of financial position

		30 September	31 December
		2023	2022
	Note	(unaudited)	(audited)
Tangible assets			
Property, plant and equipment		1,991	2,213
Intangible assets	10	33,913	24,824
Goodwill	11	15,820	15,673
Shares	13	14,188	3,509
Other financial assets	16	-	2,243
Deferred income tax asset		3,011	2,360
		68,923	50,822
Current assets			
Trade and other receivables	16	30,697	37,545
Income tax receivables		490	366
Cryptographic assets		4,060	6,314
Cash and cash equivalents		41,180	44,997
Current assets other than tangible assets held for sale		76,427	89,222
Assets held for sale		-	-
Current assets		76,427	89,222
Total assets		145,350	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		1,016	712
Equity from share-based payments	20	7,347	5,508
Retained earnings		35,742	32,699
		82,938	77,732
Equity attributable to minority interest		(8,742)	(4,127)
Total equity		74,196	73,605
Liabilities			
Long-term liabilities			
Deferred income tax liabilities		6,808	2,319
Other financial liabilities	16	186	187
		6,994	2,506
Short-term liabilities			
Other financial liabilities	16	945	21,657
Trade and other liabilities	16	62,184	40,639
Income tax liabilities		1,031	1,637
Short-term liabilities not held for sale		64,160	63,933
Short-term liabilities held for sale		-	-
Short-term liabilities		64,160	63,933
Total liabilities		71,154	66,439
Total equity and liabilities		145,350	140,044

Consolidated condensed interim statement of changes in equity

	Note	Share capital	Capital from share premium	Exchange differences on translation	Equity from share-based payments	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
As at 1 January 2023 (audited)		6,750	32,063	712	5,508	32,699	77,732	(4,127)	73,605
Net profit (loss)		-	-	-	-	14,891	14,891	(6,328)	8,563
Other comprehensive income		-	-	304	-	-	304	(37)	267
Comprehensive income		-	-	304	-	14,891	15,195	(6,365)	8,830
Capital increase		20	-	-	-	-	20	-	20
Increase (reduction) arising from acquisition of a subsidiary		-	-	-	-	(1,410)	(1,410)	1,414	4
Disbursements to owners	15	-	-	-	-	(10,438)	(10,438)	-	(10,438)
Share-based payments	20	-	-	-	1,839	-	1,839	336	2,175
Changes in equity		20	-	304	1,839	3,043	5,206	(4,615)	591
As at 30 September 2023 (unaudited)		6,770	32,063	1,016	7,347	35,742	82,938	(8,742)	74,196

	Note	Share capital	Capital from share premium	Exchange differences on translation	Equity from share-based payments	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
As at 1 January 2022 (audited)		6,710	32,063	2,890	3,788	30,414	75,865	3,206	79,071
Net profit (loss)		-	-	-	-	8,716	8,716	(1,034)	7,682
Other comprehensive income		-	-	(1,405)	-	-	(1,405)	-	(1,405)
Comprehensive income		-	-	(1,405)	-	8,716	7,311	(1,034)	6,277
Capital increase		40	-	-	-	-	40	-	40
Increase (reduction) arising from acquisition of a subsidiary		-	-	-	-	(1)	(1)	2	1
Disbursements to owners		-	-	-	-	(7,444)	(7,444)	-	(7,444)
Share-based payments	20	-	-	-	1,377	-	1,377	-	1,377
Changes in equity		40	-	(1,405)	1,377	1,271	1,283	(1,032)	251
As at 30 September 2022 (unaudited)		6,750	32,063	1,485	5,165	31,685	77,148	2,174	79,322

Consolidated interim condensed cash flow statement

		9 months ended 30 September	
		2023	2022
Note		(unaudited)	(unaudited)
	Profit/loss before tax	13,250	9084
	Adjustments:	10,438	12,192
	Amortization	8,558	9,444
	Foreign exchange profit (loss)	(256)	(1,853)
	Interest revenue	(724)	(91)
	Interest cost	56	14
	Profit (loss) on investment activities	(23)	5
	Impairment loss on development cost	1,310	-
	Impairment loss on receivables and other financial assets	271	1,222
	Change in the balance of receivables	6,647	21
	Change in liabilities, except for loans and borrowings	849	9,623
	Settlement of share-based payment costs	2,175	1,377
	Change in cryptographic assets	2,254	(8,469)
	Profit (loss) from fair value measurement	(10,679)	899
	Operating net cash flow	23,688	21,276
	Income tax (paid) / refunded	(1,571)	(2,202)
	Net cash flows from operating activity	22,117	19,074
	Investment activity		
	Sale of property, plant and equipment and intangible assets	157	1
	Proceeds from repayment of loans granted	2,013	-
	Interest received	766	-
	Sale of shares	-	1,593
	Acquisition of subsidiaries	(12)	1
	Acquisition of property, plant and equipment and intangible assets	(508)	(707)
	Expenditure on intangible assets	(18,459)	(12,307)
	Net cash flows from investment activity	(16,043)	(11,419)
	Financial activity		
	Capital increase	-	40
	Proceeds from loans and borrowings	120	-
	Proceeds from lease	-	189
	Dividends	(10,438)	(7,444)
	Repayment of lease liabilities	(121)	(132)
	Interest	(48)	(14)
	Net cash flows from financial activity	(10,487)	(7,361)
	Cash flows before exchange differences	(4,413)	294
	Net foreign exchange differences on cash and cash equivalents	596	(41)
	Total net cash flows	(3,817)	253
	Cash opening balance	44,997	33295
	Cash closing balance, including:	41,180	33,548
	- 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 9 months ended 30 September 2023 and they contain comparative data for the 9 months ended 30 September 2022 and data as at 31 December 2022.

1.2 Governing bodies of the Parent Company

Board of Directors

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

Company's Supervisory Board

On 30 September 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 Sp. z o.o.	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	book-keeping and payroll services	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	100% - 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
Boomland Global Sp. o.o.***	Gdańsk, Poland	service activities for blockchain-based projects	subsidiary/full	0%	14 September 2023
Mobile Esports Sp. z o.o.	Gdańsk, Poland	mobile esports platform	subsidiary/full	51%	06 July 2023

*MoonDrip Sp. z o.o. under liquidation was deleted from the National Court Register on 31 October 2023

**The contract for the purchase of 100% of BoomLand FZ-LLC shares by the Company was concluded on 12 October 2023.

***100% of BL Global shares are held by BoomLand FZ-LLC

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 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).

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

	9 months ended			
	30 September 2023			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
External sales	180,149	3,344	-	183,493
Internal Group sales	101	15	(116)	-
Sales revenue	180,250	3,359	(116)	183,493
Gross profit/loss on sales	20,865	(2,891)	(7)	17,967
Operating profit/loss	7,201	(5,216)	(7)	1,978
Depreciation and amortization	(8,558)	-	-	(8,558)
EBITDA	15,759	(5,216)	(7)	10,536
Financial revenue/expenses	11,474	(101)	(101)	11,272
Gross profit/loss	18,675	(5,317)	(108)	13,250
Tax	(4,687)	-	-	(4,687)
Net profit/loss	13,988	(5,317)	(108)	8,563

The revenue disclosed in the Blockchain Projects segment pertains to the NFTs sold for Hunters on Chain – a game released by BoomLand FZ-LLC – and to the grants received by PlayEmber FZ-LLC from the NEAR Foundation.

	9 months ended			
	30 September 2022			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
External sales	221,658	34	-	221,692
Internal Group sales	-	-	-	-
Sales revenue	221,658	34	-	221,692
Gross profit/loss on sales	21,014	(2,301)	-	18,713
Operating profit/loss	15,439	(4,379)	-	11,060
Depreciation and amortization	(9,444)	-	-	(9,444)
EBITDA	24,883	(4,379)	-	20,504
Financial revenue/expenses	(1,953)	(23)	(8)	(1,984)
Gross profit/loss	13,494	(4,402)	(8)	9,084
Tax	(1,402)	-	-	(1,402)
Net profit/loss	12,092	(4,402)	(8)	7,682

Assets of the segments

	30 September 2023			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Intangible assets	25,624	8,282	7	33,913
Other tangible assets	35,010	-	-	35,010

Tangible assets	60,634	8,282	7	68,923
Cash	41,180	-	-	41,180
Cryptographic assets	567	3,493	-	4,060
Other current assets	32,984	278	(2,075)	31,187
Current assets	74,731	3,771	(2,075)	76,427
Total assets	135,365	12,053	(2,068)	145,350

	31 December 2022			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	(audited)	(audited)	(audited)	(audited)
Intangible assets	20,537	4,280	7	24,824
Other tangible assets	25,998	-	-	25,998
Tangible assets	46,535	4280	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 September 2023			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Long-term liabilities	6,994	-	-	6,994
Short-term liabilities	44,792	21,443	(2,075)	64,160
Total liabilities	51,786	21,443	(2,075)	71,154

	31 December 2022			
	Mobile games	Blockchain projects	Intercompany adjustments	Consolidated data
	(audited)	(audited)	(audited)	(audited)
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 Contracts with customers

Sources of revenue

	9 months ended 30 September			
	2023		2022	
	(unaudited)		(unaudited)	
advertising	107,857	59%	157,089	71%
Micropayments and sale of digital copies	70,675	39%	62,856	28%
other	4,961	2%	1,747	1%
	183,493	100%	221,692	100%

including:

Platforms (distribution)	178,532	97%	219,945	99%
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Platforms (distribution)

	9 months ended 30 September			
	2023		2022	
	(unaudited)		(unaudited)	
Android	97,371	55%	128,808	59%
iOS	79,974	45%	88,820	40%
other	1,187	1%	2,317	1%
	178,532	100%	219,945	100%

Geographic data

	9 months ended 30 September			
	2023		2022	
	(unaudited)		(unaudited)	
North America	83,910	47%	80,351	37%
Europe	49,706	28%	58,599	27%
Asia	34,811	19%	69,115	31%
South America	4,505	3%	7,228	3%
Australia & Oceania	4,675	3%	3,952	2%
Africa	925	1%	700	0%
	178,532	100%	219,945	100%

Leading business partners

	9 months ended 30 September			
	2023		2022	
	(unaudited)		(unaudited)	
Google	36,185	20%	34,822	15%
Apple	32,478	18%	25,801	11%
IronSource	22,575	12%	12,741	6%
AdMob	16,954	9%	27,718	13%
Unity Technologies	16,522	9%	16,126	7%
Applovin	14,698	8%	48,271	22%
Facebook	13,187	7%	20,401	9%
Adlogic Technology	8,660	5%	12,196	6%
Vungle	3,921	2%	3,447	2%
Fyber Monetization	3,451	2%	7,595	3%
Others	14,862	8%	12,574	6%
	183,493	100%	221,692	100%

8 Cost of goods sold

	9 months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
Depreciation and amortization	8,558	9,444
Materials and energy consumption	390	421
Third-party services	170,257	203,287
Commissions of distribution platforms	19,808	17,793
User acquisition costs	98,011	131,516
Rev share costs	14,414	19,564
Taxes and levies	288	243
Salaries	14,996	11,995
Social security and other benefits	2,506	1,837
Other costs by type	1,076	398
Total costs by type	198,071	227,625
Development costs	(19,455)	(12,573)
General administrative costs	(13,090)	(12,073)
Cost of sales	165,526	202,979

9 Income tax

	9 months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
Gross profit	13,250	9,084
Theoretical tax calculated according to domestic rates that apply to income in Poland (19%)	(2,518)	(1,726)
Difference on tax according to another rate	(1,277)	(477)
Non-tax-deductible costs	(1,002)	(751)
including: costs of incentive schemes	(349)	(48)
Exchange differences	1	(3)
Revenues not included in the tax base	83	366
CIT adjustments related to previous years	26	1,189
Charge on the financial result on account of income tax	(4,687)	(1,402)
effective tax rate	35.4%	15.4%

In 2023, due to the risk that it would not be used, no tax loss asset was recognized for Skyloft and Boompick. 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, which is why the effective tax rate is higher than the nominal tax rate and is above 35%.

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 was 15.4% and it was lower than the nominal tax rate (19%) in the benchmarking period.

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	-	-	1,233	17,222	18,459
Gross sales/liquidation	-	(37)	-	-	(154)	(191)
Transfer between categories	9,660	6,278	2	-	(15,940)	-
Exchange differences on translation	50	82	-	-	(39)	93
Depreciation and amortization	(5,211)	(2,709)	(42)	-	-	(7,962)
(Creation)/utilisation of impairment losses	(547)	(348)	-	-	(415)	(1,310)
As at 30 September 2023 (unaudited)						
Cost	56,819	25,081	777	1,233	11,605	95,515
Amortization to date	(41,387)	(15,154)	(239)	-	-	(56,780)
Impairment losses	(3,703)	(396)	-	-	(724)	(4,823)
Net value	11,729	9,531	538	1,233	10,881	33,913

* The value of the increases differs from the value of development costs specified in Note 8 by the revenue of PLN 1,000,000 earned in the soft launch and PLN 4,000 for the acquisition of the costs from Moondrip Sp.z o.o. under liquidation

Development costs for the 9 months ended 30 September 2023 include expenses on outsourced services of PLN 14,352,000 and the expenses on salaries and related contributions of PLN 5,103,000. The expenses were reduced by the soft launch revenue of PLN 1,000,000. 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 (assets in progress)	Total
As at 1 January 2022 (audited)						
Cost	37,199	16,388	-	-	2,238	55,825
Amortization to date	(24,238)	(9,522)	-	-	-	(33,760)
Impairment losses	(3,083)	(48)	-	-	-	(3,131)
Net value	9,878	6,818	-	-	2,238	18,934
Acquisition of a subsidiary	-	-	-	-	12,307	12,307
Increases*	-	-	-	-	12,307	12,307
Gross sales/liquidation	(490)	-	-	-	-	(490)
Sales/liquidation total amortization	476	-	-	-	-	476
Transfer between categories	5,450	1,639	-	-	(7,089)	-
Transfer between categories – total amortization	34	(34)	-	-	-	-
Exchange differences on translation	(4)	(26)	-	-	110	80
Depreciation and amortization	(6,826)	(2,179)	-	-	-	(9,005)

As at 30 September 2022 (unaudited)

Cost	42,155	18,001	-	-	7,566	67,722
Amortization to date	(30,554)	(11,735)	-	-	-	(42,289)
Impairment losses	(3,083)	(48)	-	-	-	(3,131)
Net value	8,518	6,218	-	-	7,566	22,302

* The value of the increases differs from the value of development costs specified in Note 8 by the revenue of PLN 266,000 earned in the soft launch

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

Estimated impairment of development costs

At the end of the reporting period the Group reviewed the costs of completed development work for signs of impairment. Impairment tests were conducted for projects where the identified signs included performance below expectations by games seen by the Board of Directors as having a limited improvement potential.

The following assumptions were adopted for the tests:

- a period of up to four years (depending on the lifecycle of particular game titles) was adopted for the projection of flows,
- a discount rate (weighted average cost of capital) of 9.5%,
- cash flow projections were estimated through extrapolation of the observed performance of the games.

As a result of tests, the Group has established that the recoverable amount (established based on the value-in-use) of the development costs for Royal Merge and the engine for merge-type games is lower than their book value. In view of the above, the Group covered them by an impairment loss of PLN 895,000. The Group also decided to suspend the development works on the remaining merge games and to cover them by a 100% impairment loss totalling PLN 415,000.

The Group is planning to take the following actions with regard to merge games:

- design thorough changes in the monetization system,
- release games on HTML5 platforms,
- release Royal Merge on Google Play Pass.

Since it is not possible to reliably estimate how those actions can influence the future cash flows to be generated by merge games, they have not been accounted for in the calculations of impairment loss amounts.

11 Goodwill

	9 months ended	
	30 September	30 September
	2023	2022
	(unaudited)	(unaudited)
As at 1 January		
Cost	15,673	16,230
Amortization to date	-	-
Net value	15,673	16,230
Exchange differences	147	195

As at 31 December

Cost	15,820	16,425
Amortization to date	-	-
Net value	15,820	16,425

12 Cryptographic assets

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

	31 December	31 December
	2023	2022
USDC cryptocurrencies	3,330	6,257
NEAR cryptocurrencies	707	43
other	23	14
	4,060	6,314

13 Capital and equity

At the beginning of the period covered by these consolidated financial statements and on the balance sheet date, 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

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

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

14 Earnings per share

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

	9 months ended 30 September	
	2023	2022
	(unaudited)	(unaudited)
Net profit/loss for shareholders of the parent (PLN '000)	14,891	8,716
Number of shares* (as single shares)	13,539,852	13,470,667
Earnings per share – basic (in PLN)	1.10	0.65

* Weighted average number of shares in the reporting period

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

	9 months ended 30 September	
	2023	2022
	(unaudited)	(unaudited)
Net profit/loss for shareholders of the parent (PLN '000)	14,891	8,716
Number of shares* (as single shares)	13,540,000	13,504,412
Earnings per share – diluted (in PLN)	1.10	0.65

* 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: 13,540,000.00).
- PLN 1,614,459.61 (10.20% of the 2022 net profit) for Company spare capital.

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

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

	30 September	31 December
	2023	2022
	(unaudited)	(audited)
Assets measured at amortized cost		
Trade receivables	24,207	30,063
Other financial assets	-	2,243
Cash and cash equivalents	41,180	44,997
	65,387	77,303
Financial assets measured at fair value through profit or loss		
Interests and shares in other entities	14,188	3,509
	14,188	3,509
Financial assets	79,575	80,812
	30 September	31 December
	2023	2022
	(unaudited)	(audited)
Other financial assets		
Loans to affiliates	1,312	1242
Impairment loss on loans granted to affiliates	(1,312)	(1,242)
Net loans granted to affiliates, including:	-	-
- tangible assets	-	-
Loans granted to other entities	-	2,243
Impairment loss on loans granted to other parties	-	-
Net loans granted to other parties, including:	-	2,243
- tangible assets	-	2,243
Other net financial assets	-	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.

On 3 August 2023, SuperScale repaid the loan with interest, i.e. EUR 492,000.

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.

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. As at the reporting date, all the receivables of MoonDrip are covered by the impairment loss.

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, the Company created an impairment loss on 100% of the receivable in the amount of PLN 149,000 (of which PLN 49,000 in Q3 2023). 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. 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 following 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 as at 30 June 2023 based on the number of shares and the subscription prices for the investors participating in the investment round.

The Group believes that the application of a method based on the above transaction remains the most appropriate approach to establishing the fair value of SuperScale shares as at the day ending the current reporting period. Relying on the EUR/PLN exchange rate of 30 September 2023, the measurement was PLN 14.2 million, which is an increase by PLN 10.7 million – an amount recognized in the Company's profit and loss account as financial revenue (of which PLN 0.6 million was recognized in Q3 2023).

Financial instruments measured at fair value by level:

	30 September	31 December
	2023	2022
	(unaudited)	(audited)
Interests and shares in other entities	14,188	3,509
Closing balance	14,188	3,509
including:		
Level 1	-	-
Level 2	14,188	3,509
Level 3	-	-

Financial liabilities

	30 September	31 December
	2023	2022
	(unaudited)	(audited)
Liabilities measured at amortized cost		
Trade liabilities	30,716	28,802
Other financial liabilities	1,131	21,844
	31,847	50,646
Financial liabilities	31,847	50,646

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

	30 September	31 December
	2023	2022
	(unaudited)	(audited)
Other financial liabilities		
Lease liability	378	290
- long-term	186	187
- short-term	192	103
Ad mediation contract liability	-	20,924
Liabilities from borrowings	753	630
	1,131	21,844

Contract liabilities disclosed as of 31 December 2022 pertained to the ad mediation contract entered into with ironSource Mobile Ltd. ("IS"). In connection with the performance of the contract, the Parent 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"). By 28 February 2023, the contractual terms which would permit recognizing the cash received from IS as revenue were met. The first period for which revenue on that account were recognized, equaling 1/24 of the received Integration Fee, was March 2023.

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 209,000 loan granted by a shareholder CherryPick Sp. z o.o. and a cryptocurrency loan of PLN 544,000 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

	9 months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
Receivables		
Change of balance arising from the consolidated statement of financial position	9,091	1,024
- changes in impairment losses on receivables and loans	(271)	(1,222)
- change in the balance of loans	(2,173)	219
Change in receivables arising from the consolidated cash flow statement	6,647	21
Liabilities		
Change of balance arising from the consolidated statement of financial position	832	9,204
- change in the balance of liabilities for loans received	(124)	-
- balance change because of exercise of the call option	-	476
- change in capital contribution liabilities	20	-
- change in lease liabilities	121	(57)
Change in liabilities arising from the consolidated cash flow statement	849	9,623

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 9 months ended 30 September 2023, settlements and transactions with affiliates were as follows:

	Trade and other receivables	Granted loans	Received loans	Revenue	Purchase	Trade and other liabilities
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Joint ventures						
MoonDrip Sp. z o.o. under liquidation	-	-	-	84	-	-
Parties with significant influence						
Karolina Szablewska-Olejarz	1	-	-	8	198	-
Marcin Olejarz	38	-	-	9	3	1
Anibal Soares	-	-	544	-	-	-
Marek Pertkiewicz	-	-	-	10	-	-
Grzegorz Regliński	-	-	-	-	30	11
	39	-	544	111	231	12

As at 31 December 2022 and for the 9 months ended 30 September 2022, settlements and transactions with affiliates were as follows:

	Trade and other receivables	Granted loans	Received loans	Revenue	Purchase	Trade and other liabilities
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)	(audited)
Joint ventures						
MoonDrip Sp. z o.o. under liquidation*	-	-	-	68	-	-
Parties with significant influence						
Karolina Szablewska-Olejarz	1	-	-	2	170	-
Marcin Olejarz	1	-	-	9	-	9
Anibal Soares	-	-	549	-	-	-
Marek Pertkiewicz	-	-	-	6	-	-
Grzegorz Regliński	-	-	-	-	57	11
	2	-	549	85	227	20

Salaries of governing bodies and key management

	9 months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
Salaries and other benefits for the Directors, including:	6,395	5,873
Board of Directors of the parent company, including:	6,305	5,795
- provision for bonuses for the Directors	479	1,125
- dividend	4,306	3,075
Board of Directors of other entities	90	78
Salaries and other benefits for the Supervisory Board, including:	1,717	1,264
Dividend	1,416	1,011
Salaries of key management	186	277
	8,298	7,414

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 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, while 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 9 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 479,000 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 1,361,000 (of which PLN 654,000 results from the profit/loss improvement arising from the measurement of SuperScale shares) 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 336,000 and it was disclosed in other capitals.

21 Subsequent events

- The process of shutting down MoonDrip was completed on 03 October 2023. Based on a decision of the Gdańsk-Północ District Court, the Commercial Division of the National Court Register, MoonDrip was deleted from the National Court Register on 31 October 2023.
- The contract for the purchase of 100% of BoomLand FZ-LLC shares by the Company was concluded on 12 October 2023.

III. BOOMBIT S.A. CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023

Condensed standalone interim statement of comprehensive income

	9 months ended	
	2023	2022
	(unaudited)	(audited)
Revenue on sales	125,195	140,531
Cost of sales	(102,834)	(118,396)
Gross profit on sales	22,361	22,135
General administrative costs	(10,637)	(8,888)
Other operating revenue	131	3,902
Other operating costs	(1,611)	(798)
Operating profit/loss	10,244	16,351
Financial revenue	12,065	415
Financial costs	(4,224)	(2,150)
Profit/loss before tax	18,085	14,616
Income tax	(3,928)	(1,515)
Net profit/loss	14,157	13,101
Other comprehensive income	-	-
Total comprehensive income	14,157	13,101
Earnings per share (in PLN)		
Basic	1.05	0.97
on continued operations	1.05	0.97
on discontinued operations	-	-
Diluted	1.05	0.97
on continued operations	1.05	0.97
on discontinued operations	-	-

Condensed standalone interim statement of financial position

	30 September	31 December
	2023	2022
	(unaudited)	(audited)
Tangible assets		
Property, plant and equipment	1,742	1,934
Intangible assets	24,597	17,819
Shares	25,491	14,808
Other financial assets	-	3,773
	51,830	38,334
Current assets		
Trade and other receivables	47,213	49,010
Cryptographic assets	-	585
Other financial assets	8,563	4,973
Cash and cash equivalents	22,991	30,939
Current assets other than tangible assets held for sale	78,767	85,507
Assets held for sale	-	-
Current assets	78,767	85,507
Total assets	130,597	123,841
Equity		
Equity attributable to shareholders of the parent		
Share capital	6,770	6,750
Capital from share premium	32,064	32,064
Equity from share-based payments	7,347	5,508
Retained earnings	35,932	32,213
Total equity	82,113	76,535
Liabilities		
Long-term liabilities		
Deferred income tax liabilities	5,619	2,485
Other financial liabilities	186	187
	5,805	2,672
Short-term liabilities		
Other financial liabilities	191	21,027
Trade and other liabilities	42,042	22,581
Income tax liabilities	446	1026
Short-term liabilities not held for sale	42,679	44,634
Short-term liabilities held for sale	-	-
Short-term liabilities	42,679	44,634
Total liabilities	48,484	47,306
Total equity and liabilities	130,597	123,841

Condensed standalone interim statement of changes in equity

	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)	-	-	-	14,157	14,157
Comprehensive income	-	-	-	14,157	14,157
Capital increase	20	-	-	-	20
Disbursements to owners	-	-	-	(10,438)	(10,438)
Share-based payments	-	-	1,839	-	1,839
Changes in equity	20	-	1,839	3,719	5,578
As at 30 September 2023 (unaudited)	6,770	32,064	7,347	35,932	82,113
As at 1 January 2022 (audited)	6,710	32,064	3,788	27,605	70,167
Net profit (loss)	-	-	-	13,101	13,101
Comprehensive income	-	-	-	13,101	13,101
Capital increase	40	-	-	-	40
Disbursements to owners	-	-	-	(7,444)	(7,444)
Share-based payments	-	-	1,377	-	1,377
Changes in equity	40	-	1,377	5,657	7,074
As at 30 September 2022 (audited)	6,750	32,064	5,165	33,262	77,241

Condensed standalone interim cash flow statement

	9 months ended	
	2023	2022
	(unaudited)	(audited)
Profit/loss before tax	18,085	14,616
Adjustments:	(9,006)	9,177
Amortization	6,852	7,625
Foreign exchange profit (loss)	(502)	(559)
Interest revenue	(1,386)	(364)
Interest cost	48	14
Profit (loss) on investment activities	(63)	(25)
Change in cryptographic assets	585	-
Change in the balance of receivables	1,044	110
Change in liabilities	(11,673)	(1,865)
Settlement of share-based payment costs	1,839	1,377
Profit (loss) from fair value measurement	(10,679)	919
Impairment loss on receivables	4,929	1,945
Cash flows from activity	9,079	23,793
Income tax (paid) / refunded	(1,373)	(551)
Net cash flows from operating activity	7,706	23,242
Investment activity		
Sale of property, plant and equipment and intangible assets	206	31
Proceeds from repayment of loans granted	2,133	1,086
Interest received	790	2
Sale of a subsidiaries	-	3
Sale of other shares	-	1,593
Acquisition of subsidiaries	(4)	(8)
Acquisition of property, plant and equipment and intangible assets	(493)	(598)
Expenditure on intangible assets	(13,144)	(6,970)
Loans granted	(5,585)	(3,126)
Net cash flows from investment activity	(16,097)	(7,987)
Financial activity		
Capital increase	-	40
Dividends	-	(7,444)
Proceeds from lease received	-	190
Repayment of lease liabilities	(121)	(132)
Interest	(48)	(14)
Net cash flows from financial activity	(169)	(7,360)
Cash flows before exchange differences	(8,560)	7,895
Net foreign exchange differences on cash and cash equivalents	613	224

Total net cash flows	(7,947)	8,119
Cash opening balance	30,939	5,546
Cash closing balance, including:	22,992	13,665
- of limited disposability	-	-

IV. MANAGEMENT REPORT FOR BOOMBIT S.A. FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2023

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

1.1 Economic and financial figures

Consolidated quarterly performance data

	Q3 2022	9 months of 2022	Q1 2023	Q2 2023	Q3 2023	9 months of 2023	change 9 months of 2023 vs 9 months of 2022	change % 9 months of 2023 vs 9 months of 2022
Revenue, including:	73,624	221,692	65,436	62,763	55,294	183,493	(38,199)	-17%
Micropayments and sale of digital copies	21,706	62,856	27,611	23,554	19,510	70,675	7,819	12%
Advertising	51,547	157,089	37,048	38,272	32,537	107,857	(49,232)	-31%
Blockchain	-	-	383	508	2,453	3,344	3,344	-
Main variable costs:	55,296	168,352	48,446	45,234	37,618	131,298	(37,054)	-22%
Commissions of platforms	6,426	17,777	7,320	6,802	5,618	19,740	1,963	11%
User Acquisition*	41,609	131,011	35,809	33,358	27,976	97,143	(33,868)	-26%
Rev share	7,261	19,564	5,317	5,074	4,024	14,415	(5,149)	-26%
Revenue minus main variable costs	18,328	53,340	16,990	17,529	17,676	52,195	(1,145)	-2%
EBITDA	8,738	20,504	3,508	2,122	4,906	10,536	(9,968)	-49%
Financial revenue/expenses	(1,138)	(1,976)	298	10,299	675	11,272	13,248	-670%
NET PROFIT/LOSS	3,452	7,682	337	6,742	1,484	8,563	881	11%
One-time events, including:	1,222	2,121	149	(9,413)	1,381	(7,883)	(10,004)	-472%
<i>measurement of SuperScale shares</i>	-	899	-	(10,112)	-	(10,112)	(11,011)	-1114%
<i>cost of the incentive scheme in the part arising from the measurement of SuperScale shares</i>	-	-	-	654	-	654	654	-
<i>impairment losses on development costs</i>					1,310	1,310	1,310	-
<i>impairment losses on loans granted and receivables</i>	1,222	1,222	149	45	71	265	(957)	-78%
Current/deferred tax on one-time events	(232)	(403)	(28)	2,144	(27)	2,089	2,492	-618%
Adjusted EBITDA	8,738	20,504	3,657	2,773	6,265	12,695	(7,809)	-38%
Adjusted NET PROFIT/LOSS	4,442	9,400	458	(527)	2,838	2,769	(6,631)	-71%
<i>minority interest</i>	<i>(754)</i>	<i>(1,034)</i>	<i>(1,994)</i>	<i>(3,055)</i>	<i>(1,279)</i>	<i>(6,328)</i>	<i>(5,294)</i>	<i>512%</i>

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

In the period covered by this report, the Group's total revenue (PLN 183.5 million) was 17% down versus the analogical period in the previous year (PLN 221.7 million). Revenue from advertisements was PLN 107.9 million and it was 31% down from the revenue in the benchmarking period. However, with better performance of Mid-Code games, revenue from micropayments was PLN 70.7 million, up by 12% from the analogical period in the previous year. The Group's share of revenue from micropayments continues to increase. The share was 39% in the period covered by these financial statements versus 28% in the analogical period in 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 with a negative impact on the Group's revenue in the analyzed period versus the analogical period in the year before, especially at the end of Q2 and beginning of Q3, was the dropping USD/PLN exchange rate.

The cost of sale was PLN 165.5 million, which was PLN 37.5 million (18%) down from the analogical period in 2022 (PLN 203.0 million). The drop resulted mainly from the higher user acquisition costs, which were PLN 97.1 million and were down by PLN 33.9 million (i.e. by 26%) versus the benchmarking period. The drop in the cost of goods sold was also caused by rev share costs, which were PLN 14.4 million in the analyzed period and were down by PLN 5.1 million (i.e. by 26%) from the analogical period in the previous year. The drop in rev share costs is the outcome of poorer performance of the games in the analyzed period versus the previous year. At the same time, the cost of platform commissions grew by PLN 2.0 million, i.e. by 11% versus the analogical period in the year before. The share of the main variable costs in relation to revenue dropped by 4 percentage points, i.e. from 76% in the analogical period of 2022 to 72% in the period covered by these statements.

In the current reporting period, the Group continued its work on blockchain-based projects, pursued through BoomLand FZ-LLC and PlayEmber FZ-LLC. The total expenses incurred in connection with the activity of this segment was PLN 11.4 million in the 9 months ended 30 September 2023 (versus the PLN 6.9 million in the analogical period in the previous year), of which PLN 7.7 million (versus the PLN 4.2 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 September 2023, the revenue was PLN 3.4 million.

As the scope of the Group's activity expanded and its game portfolio grew, the staff costs increased too. Staff costs recognized as development costs were PLN 15.4 million, which was PLN 6.2 up from the analogical period in the year before. The increase reflects the Group's increased involvement in the development of Mid-Core games, where the production time is longer than for Hyper-Casual games and some of the costs are capitalized in accordance with the Group's accounting policy. Staff costs included in the cost of goods sold were PLN 16.1 million in the current period, i.e. PLN 1.4 up from the analogical period in the previous year. The increase is the outcome of higher costs of blockchain project development. The Group incurred PLN 3.7 million of staff costs in connection with the development of blockchain projects in the analyzed period, which were charged to costs of goods sold.

The Group continued to work with third-party developers, whose non-capitalized production costs were PLN 4.8 million in the current period, i.e. down from the analogical period of the previous year by PLN 0.6 million.

General administrative costs increased by 8%, i.e. by PLN 1.0 million versus the analogical period in the previous year and they were PLN 13.1 million. The increase results for instance from the recognition of a provision for incentive schemes, which have increased in the current reporting period by PLN 1.4 million from last year's figures for the analogical period and totaled PLN 1.7 million. At the same time, the cost of legal services dropped to PLN 1.0 million in the current period, which was down by PLN 0.3 million from the costs incurred in the analogical period in the year

before. The higher 2022 costs were linked to the foundation of companies from the blockchain project segment in the United Arab Emirates.

The profit on financial activities grew mainly because of a one-time 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 12.7 million in the current period (versus PLN 20.5 million in the previous year), while net profit/loss adjusted by one-time events was PLN -2.8 million (versus PLN 9.4 in the analogical period last year). Except for one-time events, with similar YoY revenue values less the main variable costs, the drop in the EBITDA and the profit/loss in the current reporting period versus the analogical period in the previous year was caused mainly by the profit/loss on other operating activity. In the current reporting period, the profit/loss on that activity was adversely affected not only by one-time events but also by valuation allowances for cryptographic assets of PLN 0.6 million and by exchange adjustments of PLN 0.5. In the analogical period, especially the exchange gains of PLN 4.7 million contributed to the profit on other operating activity.

The effective tax rate of the Group was 35.4% in the analyzed rate – a 15.4% 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 the current reporting period 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. and BoomPick sp. z o.o.

The Group's total assets as at 30 June 2023 were PLN 145.4 million, i.e. PLN 5.3 million up from 2022. The increase results primarily from the increase in the value of shares, which was PLN 14.2 million at the end of the current period, i.e. PLN 10.7 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 33.9 million at the end of the current period, i.e. PLN 9.1 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 5.9 million from the 2022 closing balance. The drop also pertains to the cash balance, which dropped by PLN 3.8 million, and cryptographic assets, which were down by PLN 2.3 million.

As far as liabilities are concerned, the total liabilities were PLN 71.2 million, which was a PLN 4.7 million increase versus the December 2022 closing balance. The growth is mainly an outcome of the deferred income tax liability increase by PLN 4.5 million.

1.2 Mobile games





In 2023, by the date of this the report, the Issuer 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 10 games released in the Premium model on Nintendo Switch and Steam. Games ported to the HTML5 platforms also premiered in the reporting period. 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.



Furthermore, the Group focused on developing the publishing activity in the reporting period by contracting with developers from both Poland and from abroad. The main games signed by the publication date of these statement are:


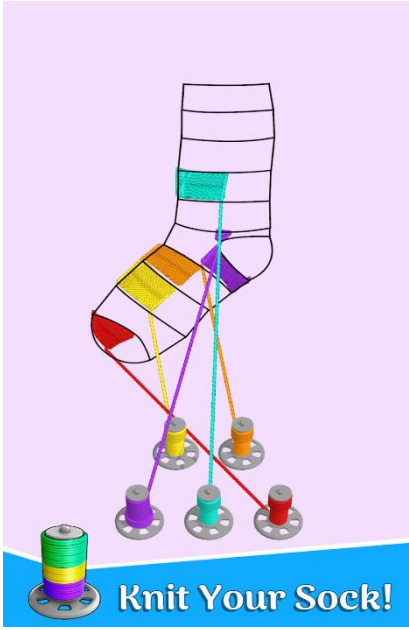


- Dawn of Ages (developer: Stratosphere Games) – a mobile strategic game set in the Middle Ages where the player develops the city economy, recruits army units and fights battles as a part of single-player campaigns and in multi-player modes,

- Train King Tycoon (developer: Charged Monkey) – a mobile game that is a strategic simulator for managing a transportation company, shipping lines and the means of transport to foster the economic growth of each region,
- Spooky Adventure Park (developer: Nano Titans) – a strategic idle-type mobile game where players build amusement parks, fill them with petrifying attractions, set out on expeditions to find elements – all this in a fantastic two-dimensional visual setting,
- Loot Heroes (developer: Madcore) – an action RPG mobile game where players take control of various characters in a colorful fantasy world. Each of the available classes has different hand-to-hand combat or distance fighting skills as well as special finishing skills. Loot Heroes offers both single- and multi-player gameplay as a part of cooperation modes,
- Boxing Ring: Clash of Warriors (developer: Vivid Games) – a dexterity sports mobile game where players transform into boxers moving up career ladders. Players develop the skills of their fighters and defeat their rivals. With touch control, they give blows and to block or dodge the opponent's attacks.
- Zombie Drift Arena (developer: ECC GAMES) – a mobile dexterity game where players set out to an arena controlled by zombie, improve their vehicle and drift to dodge hostile attacks and eliminate enemies,
- Poly Factory (developer: LudosLabs) – a mobile game where the player can feel like a business tycoon running fully automated assembly lines at a state-of-the-art plant. Managing your own factory has never been so simple! The player will need management skills and inventiveness to launch new models and improve the production methods to conquer the whole market.



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 the current reporting period, the Group's performance was under the positive impact of Mid-Core and Casual games (Hunt Royale and Darts Club), which earned about PLN 111.6 million, i.e. 16% up from the analogical period of 2022. The total costs of user acquisition, rev share and distribution platforms' commissions were about PLN 81.1 million. The revenue from Hyper-Casual games was PLN 68.5 million, i.e. 45% down from the analogical period of the previous year. 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 Hyper-Casual titles included FFalling Art Ragdoll Simulator, Crazy Plane Landing, Base Jump Wingsuit, 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 51.1 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") and the milestones achieved by PlayEmber FZ-LLC ("PlayEmber") as a part of the business relations with NEAR.

BoomLand

The NFT sales revenue in the analyzed reporting period was PLN 1.1 million. From the start of the business in 2022 to 30 September 2023, BoomLand received a total of USD 921,000 (payment in \$USDC and \$USDT tokens) under the SAFTs (Simple Agreements for Future Tokens) for 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. The \$BOOM was issued in October (TGE, Token Generation Event), which led to one-off recognition of revenue related to the SAFTs signed starting from 2022 for the sale of \$BOOM tokens. Until then, as per

the Group's policy, they were presented in liabilities and after the TGE in October they were recognized in revenue. Until the end of October 2023, BoomLand's total NFT sales revenue was about PLN 1.3 million.

PlayEmber

In accordance with the data from DappRadar, PlayEmber is ranked second among the games present in the NEAR network in terms of the UAWs (Unique Active Wallets). 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 under the Agreement with the NEAR Foundation. In Q2 2023, the Company achieved all the milestones under NEAR Foundation grant agreement signed on 2022. The total revenue on that account was USD 500,000 and it will be settled on a straight-line 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). The total revenue of PlayEmber in the reporting period was PLN 2.3 million.

Details of the financial standing and performance of this segment of the Group's activity in the current reporting period 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

The most important atypical factors which had a direct impact on the Group's performance were:

- fair-value measurement of the SuperScale s.r.o. shares held by the Company which resulted in recognition of a PLN 10.7 million revenue on that account (see Note 16 in the consolidated interim financial statements),
- recognition of PLN 1.3 million of impairment losses on development costs (see Note 10 in the consolidated interim financial statements).

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.

Boomland Global Sp. z o.o. was registered on 14 September 2023, with 100% of shares held by BoomLand FZ-LLC.

After the balance sheet date:

The contract for the purchase of 100% of BoomLand FZ-LLC shares by the Company was concluded on 12 October 2023.

Moondrip Sp. z o.o. under liquidation was deleted from the National Court Register on 31 October 2023.

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 interim report (27 November 2023):

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,838 839	2,838,839	13.58%	14.53%
Marcin Olejarz	1,902,850	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

Shareholders with at least 5% of votes at the General Meeting as at 30 September 2023 and as at the publication date of the previous interim report, i.e. report for H1 2023:

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,838 839	2,838,839	13.58%	14.53%
Marcin Olejarz	1,902,850	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	15.32%	10.61%
	13,540,000	19,540,000	100.00%	100.00%

Class D subscription warrants authorizing the holder to take up class G ordinary bearer shares as a part of the incentive scheme for the Board of Directors:

On 2 October 2023, Mr Marcin Olejarz (CEO) subscribed to 37,500 class D subscription warrants authorizing him to take up class G ordinary bearer shares as a part of the incentive scheme for the Board of Directors.

On 2 October 2023, Mr Marek Pertkiewicz (Director) subscribed to 25,000 class D subscription warrants authorizing him to take up class G ordinary bearer shares as a part of the incentive scheme for the Board of Directors.

On 3 October 2023, Mr Anibal Jose da Cunha Saraiva Soares (Vice-President of the Board of Directors) subscribed to 37,500 class D subscription warrants authorizing him to take up class G ordinary bearer shares as a part of the incentive scheme for the Board of Directors.

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.

In conjunction with the bankruptcy petition filed by the business partner, the Company created an impairment loss on 100% of the receivable in the amount of PLN 149,000 (of which PLN 49,000 in Q3 2023). The Company does not believe that the remaining part of the amount owed is likely to be repaid.

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

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. Operated by Mobile Esports, the platform is intended to become the Group's alternative user acquisition channel in the future.

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 and 22 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 new 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. 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 but it identifies a risk that the situation may change in the future.

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.

This complete consolidated interim financial report for the 9 months ended 30 September 2023 was approved for publication on 27 November 2023.

Marcin Olejarz
CEO

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

Marek Pertkiewicz
Director