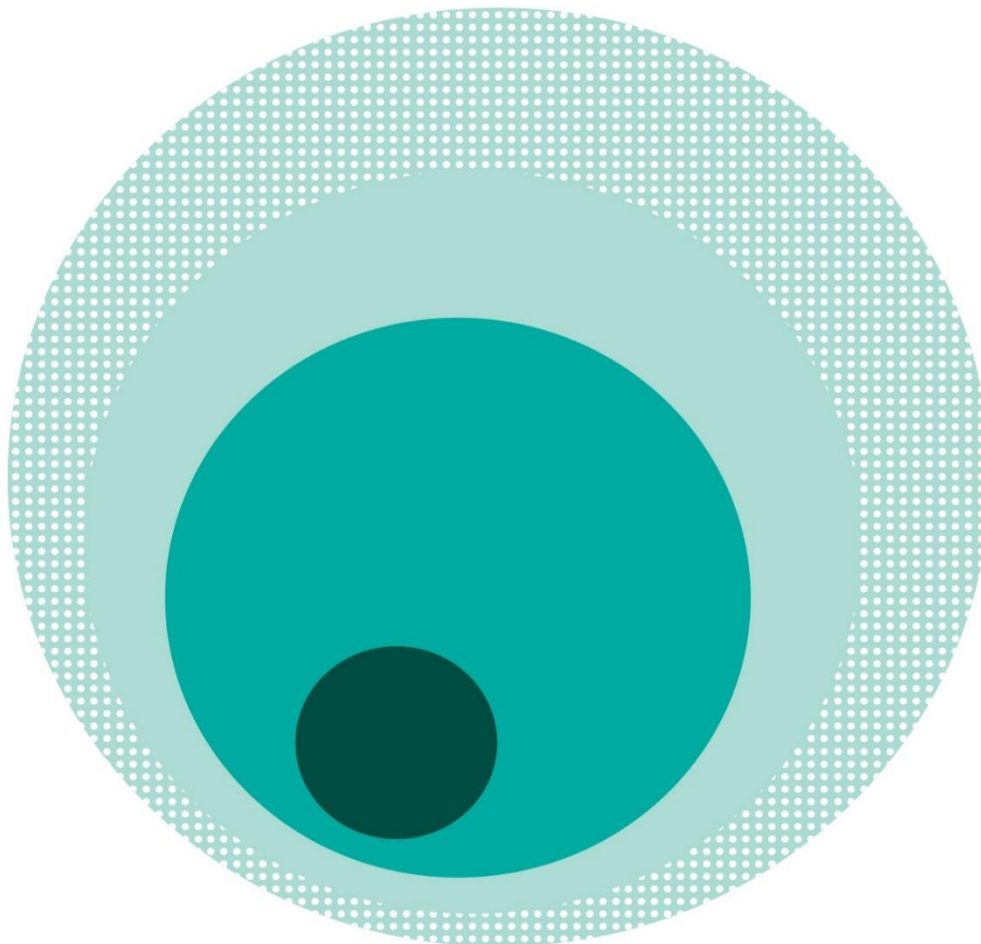


# BOOMBIT S.A.

INDEPENDENT STATUTORY AUDITOR'S REPORT  
ON THE AUDIT OF ANNUAL SEPARATE FINANCIAL STATEMENT  
AS OF 31 DECEMBER 2023

(UNAUTHORISED TRANSLATION FROM THE POLISH LANGUAGE)

17/04/2024



# INDEPENDENT STATUTORY AUDITOR'S REPORT

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*For the General Meeting and Supervisory Board of BoomBit S.A.*

## **Report on the Audit on the annual separate financial statement**

### *Opinion*

We have audited the annual separate financial statements of BoomBit S.A. (the 'Company'), which comprise the separate statement of financial position as at December, 31 2023 and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statement, including a summary of significant accounting policies (the 'separate financial statement').

In our opinion, the accompanying separate financial statement:

- give a true and fair view of the separate financial position of the Company as at December 31, 2023 and its separate financial performance and its separate cash flows for the financial year then ended in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union (IFRSs) and applied accounting principles (policy).
- is in respect of the form and content in accordance with legal regulations governing the Company and the Company's Statute;
- has been prepared based of properly maintained accounting records in accordance with the chapter 2 of the Accounting Act dated September 29, 1994 ("the Accounting Act" – i.e. Journal of Laws of 2023, item 120, as amended).

This opinion is consistent with the additional report to the Audit Committee issued on 17/04/2024.

### *Basis for opinion*

We conducted our audit in accordance with the National Auditing Standards in the version of the International Auditing Standards adopted by Resolution No. 3430/52a/2019 of the National Council of Statutory Auditors of March 21, 2019 on national auditing standards and other documents, as amended, the Resolution of the Board of the Polish Agency for Audit Oversight No. 38/I/2022 of 15 November 2022 on national quality control standards and National Auditing Standard 220 (Amended) ("NAS"), as well as pursuant to the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Supervision ("Act on Statutory Auditors" – i.e. Journal of Laws of 2023, item 1015, as amended) and EU Regulation No. 537/2014 of April 16, 2014 on specific requirements regarding statutory audit of public interest entities, repealing Commission decision 2005/909/EC ("EU Regulation" – Official Journal of the European Union UE L158 z 27.05.2014, p. 77, as amended). Our responsibilities under those standards is further described in the *Auditor's responsibility for the audit of the separate financial statement* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants (including International Standards of Independence) of the Code of Ethics for Professional Accountants (the 'IESBA Code') adopted by resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of March 25, 2019 on the principles of professional ethics of statutory auditors as amended, and with other ethical requirements that are relevant to our audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. While conducting the audit, the key certified auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These include the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon and have summarised our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in our audit
<p><b>Recognition of sales revenue</b></p> <p>The company generates revenue from the production and release of mobile games. Sales are made through distributors, i.e. global platforms that distribute games in electronic form.</p> <p>In the financial statements, the Company reports sales revenues of TPLN 164.1, an increase of 10% compared to December 31, 2022. Sales revenue is a key figure indicating the Company's operating results.</p> <p><i>Reference to disclosure in the separate financial statements</i></p> <p>Disclosures regarding the Company's accounting policy on revenue recognition and additional information on this item in the statement of profit or loss are presented in Section 2.3 u) "Basis of preparation" and Note 6 of the notes to the financial statements.</p>	<p>Our audit procedures, with respect to the key audit matter described, included, but were not limited to:</p> <ul style="list-style-type: none"> <li>– an understanding of the sales process, including the internal controls in place at the Company and the accounting principles for recognizing and measuring sales revenue,</li> <li>– analyzing selected transactions by reconciling recognized revenues to sales invoices issued and confirmations of payment of amounts due,</li> <li>– performance of analytical procedures on sales revenue,</li> <li>– performing a test on a sample of transactions from the turn of the period under review ("cut off") to assess the correctness of the timing of revenue recognition,</li> <li>– testing the repayment of receivables after the balance sheet date,</li> <li>– evaluation of the completeness and accuracy of sales revenue disclosures.</li> </ul>
<p><b>Expenditure on development work</b></p> <p>As presented in Note 15 to the separate financial statements, the net value of expenditures for development work completed and development work under construction amounted to PLN 25,3 million as of December 31, 2023.</p> <p>The Company capitalizes game development and production costs incurred prior to the start of game sales or prior to the application of new technological solutions and presents them in the statement of financial position as "Development</p>	<p>Our audit procedures, with respect to the key audit matter described, included, but were not limited to:</p> <ul style="list-style-type: none"> <li>– understanding and evaluating selected controls within the process of capitalizing development expenditures,</li> <li>– understanding and evaluating the Company's accounting policies in this regard,</li> <li>– assessing the eligibility of development costs for capitalization as assets, in accordance with IAS 38,</li> </ul>

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expenditures."

The criteria for capitalization of incurred expenditures in accordance with International Accounting Standard 38 "Intangible Assets" ("IAS 38") require significant judgment by the Board of Directors both at the stage of initial measurement and accounting recognition, and throughout the period of economic utilization of the effect of completed development work.

The Management Board's professional judgment in assessing the eligibility of costs to be capitalized, as well as the subsequent measurement of the recognized asset, requires a detailed analysis of the assumptions used. The professional judgment of the Management Board applied may also have a significant impact on the recognition of development costs in the statement of financial position and the recognition of costs in the statement of comprehensive income, as well as disclosures in the financial statements.

*Reference to disclosure in the separate financial statements*

The Company has included disclosure of the accounting policies used in Section 2.3 f) "Basis of preparation." Information regarding the value of development expenditures in the separate financial statements is included in Note 15 "Intangible assets" and Note 5 "Professional judgment and significant estimates" of the notes to the financial statements.

- reliability tests for selected components of development costs. These procedures consisted of testing source documents, including the amounts of accrued salaries subject to capitalization and their allocation to individual assets,
- analysis of assumptions and estimates regarding the expected useful life, as well as assumptions that the Company will achieve future economic benefits attributable to the asset,
- assessment of the rationale for and performed impairment tests of assumed development work and performed tests of development work in progress,
- assessment of the adequacy of disclosures regarding development expenditures described in Note 15 of the financial statements.

*Responsibility of the Company's Management and members Supervisory Board for the separate financial statement*

The Company's Management is responsible for the preparation the separate financial statements that give a true and fair view of the separate financial position and the separate financial performance in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union, the adopted accounting policies, other applicable laws, as well as the Company's Statute, and is also responsible for such internal control as determined is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Company's Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and members of the Supervisory Board are required to ensure that the separate financial statements meets the requirements of the Accounting Act. The members of the Supervisory Board are responsible for overseeing the Company's financial reporting process.

*Auditor's responsibility for audit of the separate financial statement*

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statement.

The scope of the audit does not include assurance as to the future profitability of the Company nor effectiveness of conducting business matters now and in the future by the Company's Management.

As part of an audit in accordance with NAS, we exercise professional judgment and maintain professional scepticism throughout the audit and we also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control,

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Management,
- conclude on the appropriateness of the Company's Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Company to cease to continue as a going concern,
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## **Other information, including Company Activity Report**

The Other information comprise Company Activity Report as at December 31, 2023 (the "Company Activity Report") together with the representation on the corporate governance, as well as (together with "Other Information").

### *Responsibility of the Company's Management and Supervisory Board*

The Company's Management is responsible for preparing the Other Information in accordance with the law.

The Company's Management and members of the Supervisory Board are required are required to ensure that the Company Activity Report along with separate elements meets the requirements of the Accounting Act.

### *Auditor's responsibility*

Our audit opinion on the separate financial statement does not include the Other Information. In connection with the audit of the separate financial statements, our responsibility is to read the Other Information and, in doing so, to consider whether the Other Information is materially inconsistent with the separate financial statement or our knowledge obtained during the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this Other Information, we are required to report that fact in independent auditor's report. Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the Other Information was prepared in accordance with relevant laws and that it is consistent with the information contained in the separate financial statements.

We obtained the Other Information before the date of this audit report and the Annual Report will be available after that date. In the event that we identify a material misstatement in the Annual Report, we are required to inform the Company's Supervisory Board.

### *Opinion on the Company Activity Report*

Based on the work performed during our audit, in our opinion, the Company Activity Report:

- has been prepared in accordance with Article 49 of the Accounting Act and section 70 of the Decree of the Minister of Finance of March 29, 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of non-EU member state ('Decree on current and periodic information' – Journal of Laws of 2018, item 757, as amended);
- is consistent with the information contained in the separate financial statement.



Moreover, based on our knowledge of the Company and its environment obtained during our audit, we have not identified material misstatements in the in the Company Activity Report.

*Opinion on the corporate governance representation*

In our opinion, the representation on application of corporate governance, the Company has included stipulated in paragraph 70, section 6, point 5 of the Decree on current and periodic information. Furthermore, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree included in the representation on application of corporate governance is in accordance with applicable laws and information included in the separate financial statements.

**Report on other legal and regulatory requirements**

*Representation on the provision of non-audit services*

To the best of our knowledge and belief, we declare that we have not provided services other than audits of the financial statements to the Company and its subsidiaries, in particular we have not rendered services other than audits, which are prohibited based on article 5 item 1 of Regulation 537/2014 and article 136 of the Act on Statutory Auditors.

The services other than audits of the financial statements that we provided to the Company and its subsidiaries during the period under review are listed in note 37.2 of the Company Activity Report.

*Selection of the audit firm*

We were appointed to audit the separate financial statements of the Company initially based on the resolution of Supervisory Board from 22/12/2021. The resolution was updated on 27/07/2023. The separate financial statements of the Company have been audited by us for the fourth time.

The engagement partner responsible for the audit resulting in this independent auditor's report is Anna Ławniczak

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no in the register: 13066

acting on behalf of UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością of Warsaw, Poland, entered into the list of audit firms under entry No. 3886 on behalf of which the key auditor has audited the separate financial statements.

*This document is a foreign language version of the original Independent Auditor's Report issued in Polish version and only the original version is binding. This document has been prepared for information purposes and could be used only for company's internal purposes. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.*

Poznań 17/04/2024