BOOMBIT S.A.
STANDALONE FINANCIAL STATEMENTS

for 2023

GDAŃSK, 18 APRIL 2024

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

Standalone statement of comprehensive income

	Note	12 months ended 31 December 2023 (audited)	12 months ended 31 December 2022 (audited)
Revenue on sales	6	164,131	183,082
Cost of sales	7	(141,066)	(158,227)
Gross profit on sales		**23,065**	**24,855**
General administrative costs	7	(13,621)	(12,077)
Other operating revenue	8	1,671	2,109
Other operating costs	8	(4,748)	(1,687)
Operating profit/loss		**6,367**	**13,200**
Financial revenue	9	14,742	4,940
Financial costs	9	(5,733)	(2,888)
Profit/loss before tax		**15,376**	**15,252**
Income tax	10	(2,923)	580
Net profit/loss		**12,453**	**15,832**
Other comprehensive income		-	-
Total comprehensive income		**12,453**	**15,832**
Earnings per share (in PLN)			
Basic		**0.92**	**1.17**
on continued operations	11	0.92	1.17
on discontinued operations		-	-
Diluted		**0.92**	**1.17**
on continued operations	11	0.92	1.17
on discontinued operations		-	-

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

Standalone statement of financial position

	Note	31 December 2023 (audited)	31 December 2022 (audited)
Tangible assets			
Property, plant and equipment	13	1,659	1,934
Intangible assets	15	28,526	17,819
Shares	16	24,611	14,808
Other financial assets	22	510	3,773
		55,306	38,334
Current assets			
Trade and other receivables	18	49,304	49,010
Income tax receivables		449	-
Cryptographic assets	17	49	585
Other financial assets	22	8,093	4,973
Cash and cash equivalents	19	16,607	30,939
Current assets other than tangible assets held for sale		74,502	85,507
Assets held for sale		-	-
Current assets		74,502	85,507
Total assets		**129,808**	**123,841**
Equity			
Equity attributable to shareholders of the parent			
Share capital	20	6,770	6,750
Capital from share premium		32,064	32,064
Equity from share-based payments	23	6,947	5,508
Retained earnings		34,228	32,213
Total equity		**80,009**	**76,535**
Liabilities			
Long-term liabilities			
Deferred income tax liabilities	10	5,388	2,485
Other financial liabilities	22	150	187
		5,538	2,672
Short-term liabilities			
Other financial liabilities	22	198	21,027
Trade and other liabilities	21	44,063	22,581
Income tax liabilities		-	1,026
Short-term liabilities not held for sale		44,261	44,634
Short-term liabilities held for sale		-	-
Short-term liabilities		44,261	44,634
Total liabilities		**49,799**	**47,306**
Total equity and liabilities		**129,808**	**123,841**

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

Standalone statement of changes in equity

	Note	Share capital	Capital from share premium	Other capitals	Retained earnings	Total
As at 1 January 2023 (audited)		**6,750**	**32,064**	**5,508**	**32,213**	**76,535**
Net profit (loss)		-	-	-	12,453	**12,453**
Comprehensive income		**-**	**-**	**-**	**12,453**	**12,453**
Capital increase		20	-	-	-	**20**
Disbursements to owners	12	-	-	-	(10,438)	**(10,438)**
Share-based payments	23	-	-	1,439	-	**1,439**
Changes in equity		**20**	**-**	**1,439**	**2,015**	**3,474**
As at 31 December 2023 (audited)		**6,770**	**32,064**	**6,947**	**34,228**	**80,009**
As at 1 January 2022 (audited)		**6,710**	**32,064**	**3,788**	**27,605**	**70,167**
Net profit (loss)		**-**	**-**	**-**	15,832	**15,832**
Comprehensive income		**-**	**-**	**-**	**15,832**	**15,832**
Capital increase		40	-	-	-	**40**
Disbursements to owners		-	-	-	(11,224)	**(11,224)**
Share-based payments	23	-	-	1,720	-	**1,720**
Changes in equity		**40**	**-**	**1,720**	**4,608**	**6,368**
As at 31 December 2022 (audited)		**6,750**	**32,064**	**5,508**	**32,213**	**76,535**

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

Standalone cash flow statement

	Note	12 months ended 31 December 2023 (audited)	12 months ended 31 December 2022 (audited)
Profit/loss before tax		**15,376**	**15,252**
Adjustments:		**3,322**	**31,601**
Amortization	7	9,393	9,908
Impairment loss on development cost	15	269	-
Foreign exchange profit (loss)		86	240
Interest revenue	9	(1,750)	(616)
Interest cost	9	65	20
Dividends received	9	(2,845)	(3,343)
Profit (loss) on investment activities		(198)	(25)
Change in cryptographic assets		536	(585)
Change in the balance of receivables	24	(1,046)	7,814
Change in liabilities	24	786	13,262
Settlement of share-based payment costs	23	1,439	1,720
Profit (loss) from fair value measurement		(9,799)	899
Impairment loss on investment in affiliated entities		-	20
Impairment loss on receivables	18	6,386	2,287
Cash flows from activity		**18,698**	**46,853**
Income tax (paid) / refunded	10	(1,494)	(650)
Net cash flows from operating activity		**17,204**	**46,203**
Investment activity			
Sale of property, plant and equipment and intangible assets		404	31
Proceeds from repayment of loans granted	22	2,147	1,086
Interest received	9	893	64
Sale of a subsidiaries	16	-	3
Sale of other shares		-	1,593
Acquisition of subsidiaries	16	(4)	(8)
Acquisition of property, plant and equipment and intangible assets	13	(580)	(1,166)
Expenditure on intangible assets	15	(19,720)	(9,713)
Loans granted	22	(7,286)	(4,416)
Net cash flows from investment activity		**(24,146)**	**(12,526)**
Financial activity			
Capital increase		-	60
Dividends received	12	2,845	3,343
Dividends and other disbursements to owners		(10,438)	(11,224)
Repayment of lease liabilities		(151)	(183)
Interest	9	(65)	(20)
Net cash flows from financial activity		**(7,809)**	**(8,024)**
Cash flows before exchange differences		**(14,751)**	**25,653**
Net foreign exchange differences on cash and cash equivalents		419	(260)

Total net cash flows	**(14,332)**	**25,393**
Cash opening balance	30,939	5,546
Cash closing balance, including:	**16,607**	**30,939**
– of limited disposability	-	-

1 General

The financial statements of BoomBit S.A. cover the 12 months ended 31 December 2023 and they contain comparative data for the 12 months ended 31 December 2022 and data as at 31 December 2021.

Company identification data:

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

The Company is the parent company of the BoomBit S.A Group and so it prepared consolidated financial statements for the year ended 31 December 2023, which were approved for publication on 18 April 2024.

The functional currency of the Company and the presentation currency of these standalone financial statements is Polish zloty (PLN) and all figures are given in thousand PLN (PLN '000), unless specified otherwise.

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

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

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

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

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

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

2 The basis for preparing the statements

These standalone financial statements were prepared according to accounting principles consistent with the International Financial Reporting Standards (IFRSs) which were approved by the European Union and became effective on 31 December 2023. As far as the European Union's process of introducing the IFRSs is concerned, the IFRSs that applied to these financial statements on the day when the statements were approved for publication did not differ from the EU's IFRS.

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

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

2.1. Changes without material impact on the Company's financial statements:

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),

e) Amendments to IAS 12 "Income Tax" – Pillar Two global minimum income tax, the main purpose is to implement solutions increasing effective taxing of the largest capital groups (applicable to the annual periods starting on 1 January 2023 or later).

The above changes to the existing standards had no material impact on the annual standalone financial statements of the Company for the year ended 31 December 2023.

2.2. 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, approved by the EU (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, approved by the EU (applicable to the annual periods starting on 1 January 2024 or later).

e) Amendments to IAS 21 "IAS 21 The Effects of Changes in Foreign Exchange Rates" – lack of exchangeability, not approved by the EU (applicable to the annual periods starting on 1 January 2025 or later).

f) Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" – agreements for the financing of amounts owed to suppliers. The amendments were published on 25 May 2023, and their purpose is to increase the transparency as regards supplier financing agreements and their impact on the liabilities of a company, cash flows, and the liquidity risk exposure; not approved by the EU (applicable to the annual periods starting on 1 January 2025 or later).

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

The Company did not decide to implement an early adoption of any standards, interpretations or amendments which has already been published but are not yet effective in the light of EU laws.

2.3. Major accounting principles applied by the Company

Key accounting principles applied in the preparation of these standalone financial statements are presented below. These principles were applied consistently throughout all the reporting years.

The standalone financial statements were made on the historical cost basis.

a) Determination of functional currency

Polish zloty is the functional currency and the reporting currency of the Company.

This judgment was made by the Board of Directors based on analysis of the currency in which the Company generated revenue and incurred costs. As per IAS 21.9, the entity takes into account the following factors while determining its functional currency:

a) the currency:
   (i) that mainly influences selling prices of goods and services (often the currency in which selling prices are denominated and settled); and
   (ii) of the country whose competitive forces and regulations and market conditions have the main impact on the selling prices of its goods and services;
b) the currency with the main impact on the cost of labor, materials, and other costs connected with delivery of goods or services (often the currency in which those costs are denominated or settled).

In the case of the Company, the sales revenue on its products (games) is generated primarily in dollars. So considering exclusively IAS 21.9(a), US dollar would be the functional currency of Company. However, analysis of IAS 21.9(a)(ii) would not be as conclusive – the prices of games sold by the entity are not shaped by competitive forces and regulations present in the United States. Selling prices are denominated in US dollar due to the fact that the market of computer games is a global market where prices are global and are set for a global gamer. This means that selling prices of the games of the Company are the same for gamers from Europe (including Poland), Asia, or the United States.

On the other hand, IAS 21.9(b), if analyzed on its own, would suggest that PLN is the functional currency of the Company since the majority of the costs of functioning of the Company, including game development costs (mainly costs of salaries), are incurred in PLN.

Additionally, the Board of Directors analyzed IAS 21.10:

The following factors may also be helpful in establishing the functional currency of the entity:

a) the currency in which funds from financing activities are generated (i.e., issue of debt and equity instruments);
b) the currency in which net receipts from operating activities are retained.

The Company has no taken out loans or credit facilities and no bonds issued. The Company keeps money in bank accounts in Polish zloty, US dollar, pound sterling and euro.

Taking into account the above facts and circumstances, the Board of Directors decided that Polish zloty was the functional currency and the presentation currency.

b) Interests in subsidiary, associates and joint arrangements

The Company discloses interests in subsidiaries, associates, and joint ventures by historical cost less impairment losses.

c) Measurement of items denominated in foreign currencies

Transactions expressed in foreign currencies are converted to the functional currency according to the exchange rate in effect on the transaction date or the measurement date if the items are subject to revaluation. Foreign exchange gains and losses arising from settlement of those transactions and from balance sheet valuation of financial assets and liabilities expressed in foreign currencies are disclosed in the standalone statement of comprehensive income unless they are deferred in equity where they are eligible for being recognized as a security measure for cash flows and interest in net assets. Foreign exchange gains and losses, including ones related to loans, cash and cash equivalents, are presented in the standalone statement of comprehensive income in other revenue or other costs.

d) Property, plant and equipment

Property, plant and equipment is recognized at the historical cost less total depreciation and impairment losses.

Subsequent outlays are included in the carrying value of the respective fixed asset or are disclosed as a separate fixed asset (as appropriate) only when additional economic gains are likely to be generated on this item for the Company and provided that the cost of the given item can be reliably measured. The carrying value of replaced spare parts is removed from the standalone statement of financial position. Any other costs of repairs and maintenance are charged to the standalone statement of comprehensive income in the period when they were incurred.

Land is not subject to depreciation. Depreciation of other fixed assets is charged on the straight-line basis in order to spread their initial value (less the end value) over their useful lives, which are as follows for the respective groups of tangible assets:

- buildings and structures 25-40 years
- plant and machinery 10-15 years
- means of transport 3-5 years
- other fixed assets 5-8 years

The end values and useful lives of fixed assets are verified and, where required, changed for every balance sheet date. If the carrying value of a fixed asset exceeds its estimated recoverable amount, the carrying value is immediately written down to the level of the recoverable amount. Impairment losses are disclosed in the statement of comprehensive income in other operating costs.

Profits and losses on sale of fixed assets are established through comparison of proceeds from sale against their carrying value and are disclosed in the statement of comprehensive income in other revenue or other costs.

The Company capitalizes the borrowing costs which may be directly attributable to the acquisition, construction or manufacture of a qualifying asset as a part of the purchase price or cost of manufacture of that asset. Other borrowing costs are recognized as a cost for the period in which they were incurred.

e) Lease

The Company assesses whether a contract is or involves a lease at the moment of signing it. A contract is or involves a lease if it transfers the right to control the use of an identified asset for a specific period in return for a fee.

The Company adopts a consistent approach to disclosure and valuation of all leases, except for short-term leases and leases of low-value assets. The Company recognizes the asset arising from the right of use and a lease liability on the lease commencement date.

Right-of-use assets

The Company recognizes right-of-use assets on the lease commencement date (i.e., the day when the underlying asset is available for use). Right-of-use assets are measured at cost less total depreciation charges and impairment losses. The cost of right-of-use assets includes the amount of the disclosed lease liabilities, the incurred direct initial costs and any lease payments made on or before the commencement date less any received lease incentives. Unless the Company has sufficient certainty that it acquires ownership of the leased object at the end of the lease period, the disclosed right-of-use assets are subject to straight-line depreciation throughout the shorter of: the estimated period of use or the lease period.

Lease liabilities

On the lease commencement date, the Company measures the lease liabilities in the current value of the lease fees outstanding on that date. Lease payments include fixed payments (including in-substance fixed lease payments) less any lease incentives, variable payments depending on an index or on the rate, and any payments expected within the guaranteed end value. Lease payments also include the price for the exercise of the lease option, provided that it can be assumed with sufficient certainty that it will be exercised by the Company, and payment of penalties for lease termination, if the terms of the lease permit lease termination by the Company. Variable lease payments that do not depend on any index or rate are disclosed as costs in the period where the event or condition leading to the payment occurs.

The Company uses the marginal interest rate of the lessee for the lease commencement date to calculate the current value of lease payments if the lease interest rate cannot be easily established. After the commencement date, the amount of lease liabilities is increased to reflect the interest and reduced by the lease payments already made. Furthermore, the carrying value of lease liabilities is subject to revaluation if the lease period changes, if the in-substance fixed lease payments change or if the judgment as to the purchase of the underlying assets changes.

Short-term lease and lease of low-value of assets

The Company applies exemption from recognition of short-term lease to its short-term lease contracts (i.e., contracts where the lease period after the commencement date is 12 months or shorter and where no lease option is available). The Company also applies exemption from recognition of the lease of low-value assets to its low-value lease. Lease payments for short-term lease and lease of low-value assets are disclosed as costs on a straight-line basis throughout the lease period.

While establishing the lease period, the Company defines the contract enforcement period. The lease is no longer enforceable when the lessor and the lessee each have a right to terminate the contract without permission from the other party with no more than an insignificant penalty. The Company assesses the materiality of penalties, in a broad sense of the word, i.e., it considers all material economic factors other than strictly contractual or financial to discourage contract termination (e.g., substantial investments in the leased object, availability of alternative solutions, relocation costs). If neither the Company nor the lessee or the lessor faces a substantial penalty (in a broad sense of the word) for termination, the lease is no longer enforceable and the lease period is the notice period.

f) Development costs and other intangible assets

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

- creation of games and
- IT tools (hereinafter "tools").

Depending on the condition of the respective development cost (see description regarding the moment of transfer further in this Note) on the day ending the reporting period, development costs are disclosed as:

- costs of development work in progress,
- costs of completed development work.

Tools are internal original sets of universal functionalities representing ready-to-use IT solutions, including in particular ones that:

- make it possible to shorten the development process and to optimize game development costs,
- support the User Acquisition process,
- support data acquisition and analysis for more effective optimization of monetization, both for particular games and for the whole catalogue of games published or produced by the Company.

Development costs (for both work in progress and completed work) include costs that may be directly assigned to the activity of creating, producing, and adapting an asset to be used as intended by the management. The main part of the costs is salaries (of developers, graphic artists, game designers, testers, managers, etc.), costs of game translation to other languages, and costs related to the use of music in the games.

<u>Criteria for recognition as a development cost</u>

Work costs directly connected with designing and creating identifiable unique games and supporting tools controlled by the Company are recognized as development costs if they meet the criteria laid down in IAS 38.57.

The Company verifies whether the above criteria will make it possible to capitalize the costs incurred. The verification takes place:

- before the commencement of the respective design work and
- during the work, in order to check if any circumstances that would result in the need to stop the cost capitalization have arisen.

In order to verify if the criteria are met, the Company uses all the available information sources (internal and external). Here are the main factors confirming compliance with each of the criteria defined in IAS 38.57:

- Technical feasibility of the development work so that it can be used and sold – the games designed and produced by the Company are assumed to be operable on as many devices as possible. The following projects are not accepted for implementation:
    - where the technical requirements go beyond the current standards available in the market;
    - where the content is not accepted by the key distributors (Google Play, App Store).
- Intention to complete the development work – the Company's Board of Directors assesses whether the work on a specific game or on certain software should be commenced based on current and anticipated market tendencies related to game genres and based on the available market reports (e.g., App Annie). Depending on the data obtained in the above analysis, a decision is made on whether to prepare a prototype or discontinue the works on the game. Once the initial game version is prepared, it is tested for (soft launch):

    - improvement of revenue factors (monetization);
    - analysis of user behavior and retention (percent of users who actively use the application).

Once the work on the game prototype starts, the status of design works is verified, including the achievement level of current budget assumptions. Based on that, the Company decides whether or not to continue working on the game.

- The possibility of using or selling the outputs of the development work:
    - each game produced by the Company can be released on one or more distribution platforms (e.g., iOS, Google) or sold (sale of rights in the game;
    - software is directly related to the development of games and it is regularly used in work on particular game titles.
- Likelihood of the respective development cost generating future economic gains:
    - every game released by the Company is adapted to generate proceeds from micropayments and the displayed advertisements via the distribution platforms available in the market;
    - the software supporting game development helps reduce the unit cost of development and increase the monetization potential.
- Availability of proper resources required to complete the work – at the start of the works, the Company provides the technical, competency, and financial resources required to complete the development process. In the midst of the projects, the Board of Directors, together with the managers of the respective projects, conducts cyclical overviews of the progress of the work (see the item below) and the availability of the necessary resources.
- Credible measurement of the costs incurred – the Company has appropriate IT and management accounting tools for detailed identification of current development costs. For every game/thematic group of games, cost budgets and proceed projections are prepared and verified on a cyclical basis by the Board of Directors and the project managers.

If any of the above conditions is not met, the costs incurred are recognized in cost of sales for the current period in the statement of comprehensive income.

The above analysis for compliance with the criteria of IAS 38.57 is performed in relation to costs of development work in progress. As of the moment the development work connected with the implementation of the respective project (game or software) is complete, and by extension as of the moment the respective asset is charged to the cost of completed development work, the above criteria are no longer subject to verification (see below Cost of completed development work – measurement).

<u>Costs of development work in progress – measurement</u>

Any costs incurred before the commencement of sale (hard launch) or before the application of new solutions are disclosed as cost of development work in progress.

Costs of development work in progress also apply to the game testing period (soft launch – where the game is available for free in several selected countries), which is the stage preceding the hard launch. The main purpose of soft launch is to improve the revenue (monetization) ratios for the games. It is achieved through gamer behavior analyses (advanced Business Intelligence methods) which helps improve game retention and pick the right items for sale. The soft launch period is each time subject to a business decision but it usually lasts from two to six months at the Company.

Costs of development work in progress are measured at purchase price/production cost less accumulated impairment losses.

Costs of completed development work – measurement

The moment the works end and the implementation costs of the respective projects are no longer recognized, costs are transferred from costs of development work in progress to costs of completed development work.

Costs of completed development work are measured at purchase price/production cost less accumulated amortization and accumulated impairment losses.

Moment of reclassification

Costs of development work in progress are reclassified to costs of completed development work the moment all the assets are in a condition allowing to use them as intended by the management.

Development work regarding games

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

Development work for tools

In addition to the development costs related to games, the Company incurs development costs related to the development of supporting tools:

- Tools consisting of a set of algorithms, libraries, and functionalities that can be used for other software,
- IT tools intended for advertising management,
- Tools allowing multiple users to use a game simultaneously,
- Tools supporting monetization and user acquisition,
- Analytical tools (BI).

For tools, development work in progress is reclassified to costs of completed development work upon the completion of testing of the proper functioning of the produced tools (positive result of the tests).

Period of use

Costs of development work in progress are not amortized but are subject to impairment testing.

Costs of completed development work have a finite useful life, they are amortized, and they are also subject to impairment testing where necessary.

The Company defined the following useful lives:

- games up to fpur years,
- tools up to five years.

The Company periodically, not later than at the end of financial year, verifies the adopted useful lives for the above intangible assets.

Amortization methods

Completed development works regarding games will be amortized for a period of up to four years.

In the remaining cases, the Company amortizes the costs on a straight-line basis over a maximum period of up to five years.

The amortization connected with development costs is presented in the statement of comprehensive income in cost of goods sold.

Impairment losses – presentation

Impairment losses for both continued and abandoned projects are recognized in the statement of comprehensive income in other operating costs.

Other intangible assets

The costs of acquired computer software (including rights in games) are capitalized at the value of the costs incurred to acquire it and to put it in use and they are amortized for five years.

Software licenses (including game release licenses) are amortized for the anticipated duration of the license agreement. Costs connected with maintenance of computer software are charged to costs the moment they are incurred.

g) Impairment of non-financial assets

Assets with indefinite useful life, such as goodwill, and intangible assets which are not available for use yet (e.g., costs of development work in progress) are not amortized but are tested for impairment, either annually or whenever signs of their impairment arise. Assets subject to amortization are analyzed for impairment whenever any event or change in circumstances suggests that it might be impossible to recover their carrying value. An impairment loss is recognized in an amount by which the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of: the fair value of assets less the sales costs or the value-in-use. For the purpose of impairment analysis, assets are grouped at the lowest level for which separate identifiable cash flows exist (cash-generating units). Non-financial assets for which impairment has already been identified are assessed for every reporting period end date for a possibility of reversing the impairment loss.

h) Tangible assets held for sale

Tangible assets (or groups for sale) are classified as held for sale if their carrying amount is recovered primarily through sale and the sale is considered as highly probable. They are measured at the lower of: their carrying amount or fair value less costs of sale if their carrying amount is to be recovered primarily through sale and not through their further use.

i) Financial assets

The Company classifies financial assets into the following measurement categories:

- measured at amortized cost,
- measured at fair value through other comprehensive income,
- measured at fair value through profit or loss.

The Company assigns financial assets into categories depending on the financial asset management business model and on the characteristics of contractual cash flows for the respective financial assets.

Financial assets measured at amortized cost are debt instruments kept for the purpose of contractual flows, which include exclusively repayment of principal amounts and interest. The Company's trade receivables, loans granted, and cash and deposits are assets measured at amortized cost.

After initial recognition, trade receivables and loans granted are measured at amortized cost using the effective interest rate method, taking into account impairment losses; trade receivables with a maturity date below 12 months following the date when they arise (i.e., ones not containing the financing component) are not discounted and are measured at their par value.

Standardized financial asset purchase or sale transactions are disclosed as at the transaction date.

Assets measured at fair value through profit/loss: Net profits or losses on items measured at fair value through profit or loss do not include revenue from interest of dividends.

j) Fair value

The Company measures the following financial instruments: measured at fair value through other comprehensive income and measured at fair value through the financial result as at every balance sheet date.

The fair value is understood as the price received from the sale of an asset or paid in order to transfer the liability in a transaction under ordinary sale terms of an asset between market participants as at the measurement date and at current market conditions. The fair value measurement is based on the assumption that the sale of an asset or the transfer of a liability takes place:

- on the main market for a given asset or liability,
- in the absence of the main market, on the best market for a given asset or liability.

The main market and the best market must be available to the Company.

The fair value of an asset or liability is measured with the assumption that the market participants act in their best economic interest when determining the price of an asset or liability.

The fair value measurement of a non-financial asset takes account of a market participant's ability to generate economic benefits by making the best use of an asset or by selling it to another market participant who could make the best use of such an asset.

The measurement methods applied by the Company are adequate to the circumstances and the available data for fair value measurement, with maximum use of adequate observable input data and minimum use of non-observable input data.

All assets and liabilities which are measured at fair value or whose fair value is disclosed in the financial statements are classified according to the following fair value hierarchy based on the lowest level of input data that is material for measurement of the fair value as a whole:

- Level 1 – fair value based on listed prices (unadjusted) offered for identical assets or liabilities in active markets to which the Company 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.

As of each balance sheet date, for assets and liabilities on individual balance sheet dates in the financial statements, the Company evaluates whether there were transfers between the hierarchy levels by performing another reclassification to a given level based on the materiality of the input data from the lowest level which is material for fair value measurement as a whole.

k) Impairment of financial assets

IFRS 9 introduced a financial asset impairment estimation approach based on the expected loss model. The most important financial assets in the Company's standalone statement of financial position which are subject to the changed rules of calculating the expected credit losses are trade receivables and loans granted. The entity assesses the expected credit losses for every balance sheet date whether or not any signs of impairment occurred.

Trade receivables

In relation to trade receivables, the Company applies, as it is allowed to by the standard, a simplified approach and measures the allowance for expected credit losses an amount equal to the expected credit losses throughout the whole useful life of the receivables. This approach arises from the fact that the Company's receivables do not include a significant financing component within the meaning of IFRS 15 Revenue from contracts with customers. In the simplified model, the Company does not monitor credit risk changes during the instrument useful life, it estimates the expected credit loss within the horizon until the instrument maturity date.

Impairment loss determination stages:

- stage 1 – performing financial assets (applied where the credit risk of the assets has not increased significantly since the initial recognition);
- stage 2 – financial assets with deteriorated performance (applied for significant increase of credit risk versus the initial recognition);
- stage 3 – non-performing financial assets (applied if objective signs of impairment arise).

For stage 1, the Company determines the allowance for expected credit losses as expected credit losses for 12 months, and for stages 2 and 3 – as expected credit losses during the financial instrument lifecycle.

For every reporting period end date, the Company assesses if there are any reasons for classifying financial assets into particular stages for determining the impairment loss. In such an assessment, the Company relies on changes in the risk of financial instrument non-performance throughout the expected lifecycle rather than changes in the amount of the expected credit losses. In order to perform the assessment, the Company compares the financial instrument non-performance risk as at the reporting date to the non-performance risk for that financial instrument as at the original recognition date, taking into account reasonable and documentable information which is available without excessive costs or effort and which points to a significant increase in the credit risk from the moment of original recognition.

The Company calculates impairment losses for customers on a provision matrix basis, where the impairment losses are established for receivables classified into various overdue payment brackets (except for those analyzed on a case-by-case basis as non-performing). The method accounts for historical data regarding credit losses (based on default rates established based on historical data regarding unpaid receivables analyzed for a three-year period) and the impact of material and identifiable future factors (e.g., market or microeconomic factors). The Company accounts for information regarding the future in its expected loss estimation model parameters by adjusting the baseline probability of default ratios.

In order to estimate the default rate for a business partner, the Company identified five overdue payment brackets:

- Not overdue,
- Up to 90 days past due,
- 91 to 180 days past due,
- 181 to 360 days past due,
- Over 360 days past due.

For each of the above brackets, the Company estimates a default rate which accounts for historical absence of payment for sales invoices by business partners in the three years preceding the year before the one for which the financial statements were prepared. The value of the expected credit loss is calculated as the value of receivables within the respective overdue payment bracket as multiplied by the calculated default rate. Concurrently, the following groups of business partners are identified within the conducted analyses:

- sole traders (due to the relatively large number of transactions insignificant in terms of amounts)
- corporations (mainly large advertising networks and mobile stores)

The Company treats a payment delay above 90 days as payment default.

In respect of trade receivables, the Company also accepts a possibility of defining the expected credit loss on a case-by-case basis. The above applies in particular to:

- receivables from debtors who are in liquidation or bankrupt,
- receivables which are disputed by debtors and which are past due,
- other overdue receivables, as well as receivables which are not past due but which bear a high risk of unrecoverability, as determined on a case-by-case basis by the Board of Directors (especially where the anticipated litigation and collection costs connected with claiming the debt are equal or higher than the claimed amount).

In those situations, the impairment loss for receivables may be equal to 100% of their value.

Trade receivables from affiliates are also subject to individual analysis. For such entities, the Board of Directors analyzes the current financial standing, including the quality of assets and the financial projections, in a horizon of at least three years.

<u>Cash</u>

The Company estimates the impairment losses based on the probability of default established based on external ratings of banks.

Cash equivalents in the form of investments in investment funds of the money market are measured at fair value based on the listings in active markets.

<u>Loans granted</u>

The Company estimates the impairment loss on loans granted according to the expected credit loss model. The Company monitors changes in the level of the credit risk related to the respective financial asset when compared to its initial recognition and it classifies financial assets into one of three stages of determining impairment losses.

Impairment loss determination stages:

- stage 1 – performing financial assets (applied where the credit risk of the assets has not increased significantly since the initial recognition);
- stage 2 – financial assets with deteriorated performance (applied for significant increase of credit risk versus the initial recognition);
- stage 3 – non-performing financial assets (applied if objective signs of impairment arise).

For stage 1, the Company determines the allowance for expected credit losses as expected credit losses for 12 months, and for stages 2 and 3 – as expected credit losses during the financial instrument lifecycle.

For every reporting period end date, the Company assesses if there are any reasons for classifying financial assets into particular stages for determining the impairment loss. In such an assessment, the Company relies on changes in the risk of financial instrument non-performance throughout the expected lifecycle rather than changes in the amount of the expected credit losses. In order to perform the assessment, the Company compares the financial instrument non-performance risk as at the reporting date to the non-performance risk for that financial instrument as at the original recognition date, taking into account reasonable and documentable information which is available without excessive costs or effort and which points to a significant increase in the credit risk from the moment of original recognition.

Loans to affiliates are subject to an individual analysis of anticipated credit losses.

l) Trade receivables, other receivables and prepayments

Trade receivables include receivables for deliveries and services related directly to the current operating activity.

Trade receivables are initially recognized at their fair value. After initial recognition, these receivables are measured at amortized costs using the effective interest rate, taking into account impairment losses. Trade receivables with a maturity date below 12 months from the date when the receivable arises are not discounted. The effect of the unwinding of discount is recognized in financial revenue.

<u>Other receivables and prepayments</u>

Other receivables include in particular:

- budget receivables, except for corporate income tax receivables, which represent separate items in the statement of financial position;
- prepayments.

Advances are presented according to the nature of assets to which they are related: as non-current or current assets respectively. As non-monetary assets, advances are not discounted.

Prepayments include incurred costs related to future periods.

m) Cryptographic assets

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

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

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

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

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

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

n) Cash and cash equivalents

Cash comprises cash in hand and bank deposits payable on demand, while cash equivalents are other short-term investments of high liquidity and with the initial maturity date falling within three months, including investments in capital funds of the money market.

o) Share-based payments

Share-based payments include transactions which, as IFRS 2, meet the definition of equity-settled share-based payments and cash-settled share-based payments.

Equity-settled share-based payments include but are not limited to incentive schemes for the Board of Directors and the management based on shares or subscription warrants which, if exercised, make it possible to settle performances and services through Company shares. The fair value of the services provided by the Board of Directors and the management in return for their grant is recognized as cost of salaries and, secondarily, as other capitals. The amount of share-based payments is measured using the indirect method, i.e., based on reference to the fair value of the granted capital instruments.

p) Capital and equity

The par value of shares is charged to share capital.

Capital from share premium is the share price amount above the share par value less the costs of the new issue.

Retained earnings represent spare capital, accumulated profits/losses brought forward (i.e., profits not distributed or losses not covered) and current year's profits/losses.

According to Article 396(1) of the Polish Companies Code, the Company must additionally create a spare capital for which it transfers at least 8% of the profit for the financial year until the spare capital reaches at least one third of the share capital.

In the case of disbursement of retained profit in the form of dividend, the Company is required, as the withholding entity, to withhold and pay, in accordance with the applicable laws, the income tax and pay the shareholders an amount reduced by the withheld tax (the tax rate in 2023 is 19%).

q) Trade and other liabilities, deferred income

Trade liabilities are obligations to pay for goods and services purchased during routine business activity from suppliers. Trade liabilities are classified as short-term liabilities if the payment deadline falls within one year. Otherwise, the liabilities are recognized as long-term liabilities. In initial recognition, trade liabilities are disclosed at fair value and later – at the payable amount.

Deferred income includes the value of assets already received for services to be performed in future reporting periods. The item includes without limitation the received prepayments and subsidies.

r) Current and deferred income tax

The income tax for the current reporting period includes current tax and deferred tax. Tax is recognized in the statement of comprehensive income, except where it applies directly to items disclosed in other comprehensive income or in equity. In such a case, tax is also recognized as appropriate in other comprehensive income or in equity. Current income tax liability is calculated based on the applicable tax laws or laws actually introduced at the end of the reporting period. The Board of Directors periodically reviews the calculations of tax liabilities for situations where relevant tax regulations are subject to interpretation by creating provisions for the amounts, if any, payable to tax authorities. Deferred income tax liabilities arising from temporary differences between the tax value of assets and liabilities and their book value are recognized in the statement of financial position according to the balance sheet method. However, if the deferred income tax arose from original recognition of an asset or a liability within a transaction other than business combination, with such recognition having no impact on profit/loss or on taxable income (tax loss), the deferred income tax is not recognized. Deferred income tax is established according to the tax rates (and regulations) which are legally or actually in effect at the end of the reporting period and which are expected to be in effect at the moment when the deferred income tax assets are realized or the deferred income tax liabilities are settled. Deferred income tax assets are recognized only if such taxable income is likely to be generated in the future which will make it possible to utilize the temporary differences. A deferred income tax liability arising from temporary differences which result from investment in subsidiaries, affiliates and joint ventures is recognized unless the timing of the reversal of the temporary differences is controlled by the Company and those differences are unlikely to be reversed in the foreseeable future. Deferred income tax assets and liabilities are offset if there is an enforceable legal right to offset current income tax assets against current income tax liabilities and if the deferred income tax assets and liabilities pertain to income taxes levied by the same tax authorities on the same taxable entity or on different taxable entities where there is an intention to settle on a net basis.

If the Company believes its approach to a tax issue or to a Company of tax issues is likely to be accepted by the tax authority, the Company defines the taxable income (tax loss), the tax base, the unused tax losses, the unused tax credits, and the tax rates taking into account the approach to taxation planned or applied in its tax return.
If the Company decides that the tax authority is unlikely to accept the Group's approach to a tax issue or to a group of tax issues, the Company reflects the impact of the uncertainty while establishing the taxable income (tax loss), the tax base, the unused tax losses, the unused tax credits, or the tax rates.

s) Provisions

Provisions are recognized if the Company has a legal or customarily expected obligation arising from past events and if an outflow of resources is likely to be required to allow the Group to comply with that obligation and if the amount of that obligation has been credibly estimated. No provisions are created for future operating losses.
Provision amounts are disclosed in the current value of the expenses expected to be required for the compliance with the obligation. The interest rate used is the pre-taxation rate which reflects the current assessment of the market as regards the time value of money and the risk connected specifically with the respective component of liabilities. Provision increase related to the flow of time is recognized as interest costs. It is the Company's policy that expected cash flows are not discounted for periods shorter than one year.

t) Government subsidies

If there is reasonable certainty that a subsidy will be obtained and that all the related requirements will be met, government subsidies are disclosed at fair value.

If a subsidy pertains to a specific cost item, it is disclosed in the statement of comprehensive income as Other operating revenue. If a subsidy pertains to an asset, its fair value is disclosed as reduction in the value of the respective asset and then it is gradually recognized, as equal annual write-downs, in profit or loss throughout the estimated useful life of the asset.

u) Revenue recognition

The Company follows a five-stage model to define the moment of recognition and the amount of revenue. The main principle of the standard is to disclose revenue as the transaction price at the moment when the contractually promised goods or services are transferred to the customer, which takes place once the customer takes control of those assets. Control of an asset is the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Transfer of goods to a customer may take place at a specific moment (upon the delivery of goods or the performance of a service) or over a specific period (as the service is being performed).

revenue source	pricing method	moment of recognition	judgment
revenue from platforms	contractual price	based on monthly reports	-
sale of rights and licenses	contractual fixed price and/or rev share*	fixed contractual price at the moment of asset transfer. Variable remuneration compartment recognized based on periodic settlements	due to uncertainty and lack of history for transactions to date, the Company does not recognize the variable part (rev share) at the moment of transfer of rights
sale of rights with the regular support obligation*	contractual fixed price allocated to sale of rights and regular support	revenue from share of rights at the moment of asset transfer the revenue arising from the regular support obligation is recognized on a monthly basis, as the time during which the Company is obligated to provide the service passes	the Company identifies the service obligation and then allocates the selling price to the respective obligation and recognize the revenue once each of them is completed

* under a contract for sale of rights, there is a variable remuneration component – rev share, i.e., the right to share in the profit from future sale of games.

Revenue from platforms includes revenue from advertisements and micropayments made by users through platforms and media houses; the Company invoices them on a monthly basis based on reports regarding advertisement display and micropayments. Contracts lay down the terms on which both parties make settlements for the advertisements displayed and the micropayments made by platform users.

Revenue from the sale of rights and licenses includes revenue related to asset transfer to third parties and may include regular support (updates and maintenance).

For every balance sheet date, the Company estimates the potential liabilities arising from returns, and if they are significant, it recognizes them as reduction of revenue on sales and as refund obligations.

v) Operating costs

The Company recognizes costs in the same period in which revenue on the sales of such assets is recognized, in accordance with the matching principle.

<u>Cost of sales</u>

In cost of sales, the Company recognizes mainly the costs connected with advertising and marketing (including user acquisition), commissions of distribution platforms related to revenue from micropayments, rev share costs, amortization of completed development work, costs of servers and functional software licenses and other indirect game-related costs.

<u>General and administrative costs</u>

In general administrative costs, the Company recognizes primarily the costs connected with maintenance of the Board of Directors and of company-wide organizational units.

w) Payment of dividend to shareholders

Dividends paid to the Company's shareholders are recognized as liability in the Company's statement of financial position in the period during which payment thereof was approved by the Company's shareholders.

3 Financial risk management

The Company's activity entails a number of financial risks: market risk (price risk), credit risk and liquidity risk. The Company's general risk management scheme focuses on the unpredictability of financial markets by trying to minimize potential adverse effects on the Group's financial results.

Market risk

Due to the specificity of the Company's business, the market risk includes:

Foreign exchange risk

The Company's business entails exposure to the risk of exchange rate fluctuations. A vast majority of the Group's revenue is generated in foreign currencies. Exchange differences are recognized in the statement of comprehensive income in other operating activity. Some of the Company's procurement activities take place in PLN, which exposes the Company to a foreign exchange risk.

The Company regularly monitors the foreign exchange market and decides whether or not to sell the foreign currency necessary to settle payments with a future date. The Company does not enter into forward transactions or foreign exchange options.

Presented below is the net foreign exchange exposure (data in PLN '000):

31 December 2023

	EUR	USD	GBP	Total
Cash and cash equivalents	363	12,954	534	**13,851**
Receivables	6	40,570	47	**40,623**
Liabilities	414	24,961	48	**25,423**
Net foreign exchange exposure	**-45**	**28,563**	**533**	**29,051**
Effect on gross profit/loss				
10% exchange rate increase	-5	2,856	53	**2,905**
10% exchange rate drop	5	-2,856	(53)	**-2,905**

Price risk

Just as in the previous year, the Company does not have any material assets and liabilities which would be at a risk of changes to their prices in the markets. The impact of the price risk on the Company's business is insignificant.

Risk of changes to cash flows and the fair value as a result of interest rate changes

The Company regularly monitors the situation connected with any decisions of the Polish Monetary Policy Council and the European Central Bank, which directly affects the interest rate market in Poland. Presented below is an analysis of sensitivity to the interest rate risk for financial instruments with variable interest rates in gross values:

			Interest rate variation	
Item in statement of financial position	**Carrying amount**	**Value at risk**	+1 p.p.	-1 p.p.
			Gross profit/loss	
Cash and cash equivalents	16,607	16,607	166	(166)
Other financial assets	8,603	8,603	86	(86)
Other financial liabilities	348	348	(3)	3
			249	**(249)**

Other financial liabilities contain lease liabilities. They are value at risk.

Credit risk

The Company's main financial assets include cash in bank, receivables, and investments, which represent the largest exposure to credit risk in relation to financial assets. The Company's credit risk is assigned primarily to trade receivables and to loans granted. The amounts presented in the standalone statement of financial position are net amounts, which means that they take into account impairment of doubtful accounts as and loans estimated by the Company's Board of Directors based on prior experience, the specificity of the business, and assessment of the current economic environment. The Company enters into transactions exclusively with reputed companies with high credit scores. All customers interested in trade credit undergo initial verification. In addition, with constant monitoring of the balance of receivables, the Company's exposure to the risk of unrecoverable receivables is insignificant. Loans granted were granted to affiliates. The Company monitors the liquidity situation of its affiliates and assesses their liquidity on an ongoing basis.

Liquidity risk

The liquidity risk is the risk of the Company being unable to pay its obligations when due. The Board of Directors endeavors to make sure that the Company's liquidity is always preserved at a level permitting payment of obligations when due. The Company monitors the risk of lack of funds using a periodic liquidity planning tool. The tool takes into account maturity dates of both financial investments and assets (e.g., accounts of receivables, other financial assets) and the projected cash flows from operating activities.
The Company's liquidity is managed primarily through:

- short-, medium- and long-term planning of cash flows;
- selection of appropriate financing sources based on an analysis of the Company's needs and a market analysis;
- working with established, reputed financial institutions.

As a part of liquidity management, the Company analyzes the instruments available in the market (e.g., loans, credit facilities, factoring, lease) for flexibility of obtaining financing, cost of financing and maturity dates. In principle, the Company assumes financing current operations first from its own funds and trade credits (especially credit limits and payment deadlines agreed with advertising networks).

The Company invests cash in secure short-term financial instruments (bank deposits and units in foreign investment funds of the money market), which may be used for debt service purposes. By regularly monitoring the level of mature payables and properly managing cash, the Company is an attractive partner for its suppliers. The Company has a good financial standing so the risk of it losing its liquidity by performing its payment obligations is minimum. As at 31 December 2023 and as at 31 December 2022, all the financial liabilities were maturing within three months, except for lease liabilities.

4 Capital management

The Company's objective in its capital risk management is to secure its ability to continue as a going concern in order to provide return for the shareholders and to keep an optimum capital structure to reduce its cost.
In order to maintain or adjust the capital structure, the Company may change the amount of the declared dividends to be paid to the shareholders, return the capital to the shareholders, issue new shares, or sell assets to reduce debt. Just as other entities in the industry, the Company monitors equity with the debt-to-equity ratio. The ratio is calculated as net debt to total equity. Net debt is calculated as total loans and borrowings (including the current and long-term loans and borrowings disclosed in the standalone statement of financial position) less cash and cash equivalents. Total equity is calculated as the equity disclosed in the statement of financial position along with net debt.

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

As at 31 December 2023 and as at 31 December 2022, all the debt-to-equity ratios were as follows:

	31 December 2023	31 December 2022
Loans, borrowings, and other financial liabilities	348	21,214
Cash and cash equivalents	16,607	30,939
Net debt	**(16,259)**	**(9,725)**
Equity	80,009	76,535
Debt-to-equity ratio (net debt/equity)	**(0.20)**	**(0.13)**

5 Professional judgment and the assumptions and estimates applied in preparing the standalone financial statements

Preparing the Company's standalone financial statement requires the Board of Directors of the Company to make judgments, estimates, and assumptions which influence the presented revenue, costs, assets, and liabilities and the related notes as well as the disclosures regarding contingent liabilities. Uncertainty as to such assumptions and estimates may result in adjustments of values of balance-sheet assets and liabilities in the future.

The Company makes estimations and assumptions related to the future. The assumptions and estimates are presented to the best of the management's knowledge regarding current and future events and activities; however, the actual results may differ from the projected ones.

In the process of applying the accounting principles (policy), the Board of Directors has made the following judgments with the greatest impact on the presented balance-sheet values of assets and liabilities.

Moment of development cost capitalization

The moment of development cost capitalization, along with the judgments and assumptions applied, is described in the applied accounting principles in Note 2.3.

Service life of tangible assets (depreciation rates)

Depreciation rates are based on the expected useful life of property, plant, and equipment and other intangible assets. Every year, the Company verifies the adopted useful lives based on current estimations.

Impairment of development costs

Based on an analysis and on estimations and professional judgments taking into account the projects to date, assets are subject to impairment losses and are brought down to the amount which the Company expects to achieve in the future for the use or sale of the respective asset.

Impairment of trade receivables and loans granted

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

Income tax

There are a number of transactions and calculations for which the final tax amount is uncertain. The Company recognizes potential liabilities arising from tax audits based on the estimated potential extra tax amount. If the final tax settlements differ from the original amounts, the differences influence deferred and current income tax assets and liabilities in the period where the final tax amount is established.

Regulations regarding the value added tax, corporate income tax, and social security contributions change often. Those frequent changes result in absence of appropriate points of reference, inconsistent interpretations and few established precedents to follow. Applicable legislation also includes ambiguities which lead to differing opinions as to the legal interpretation of tax regulations both between state authorities as well as between state authorities and enterprises.

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

Tax settlements and other areas of activity (e.g., customs or foreign exchange) may be audited by bodies are authorized to impose high fines and penalties, and additional tax obligations resulting from the audits must be paid along with high interest. This makes the tax risk in Poland higher than it usually is in countries with a more mature tax system.

As a result, the amounts presented and disclosed in financial statements may change in the future due to final decisions of tax auditing units.

On 15 July 2016, the Polish Tax Regulations were modified to reflect the provisions of the General Anti-Abuse Rule (GAAR). The GAAR is to prevent the formation and abuse of artificial legal structures created in order to avoid tax payment in Poland. The GAAR defines tax avoidance as an act committed primarily in order to achieve a tax advantage that is, given the circumstances, in violation of the subject matter and purpose of the tax law. In accordance with the GAAR, such an act does not result in a tax advantage if the mode of action was artificial. Any (i) unjustified division of operations, (ii) engagement of intermediaries without sufficient economic or business justification, (iii) presence of mutually offsetting or cancelling elements, and (iv) other actions similar to the above may be treated as signs of artificial acts subject to the GAAR regulations. The new regulations will require much more extensive judgment in the assessment of the tax consequences of particular transactions.

The GAAR must be applied to transactions entered into after or before the GAAR effective date if the benefits were or still are derived after the GAAR effective date. Enactment of the above regulations allowed Polish tax auditing bodies to challenge legal arrangements and agreements engaged in by taxpayers, such as group restructuring and reorganization.

The Company recognizes and measures current and deferred tax assets and liabilities in line with IAS 12 Income Taxes based on the profit (tax loss), tax base, unsettled tax losses, unused tax credits, and tax rates, taking into account the assessed uncertainty related to tax settlements.

Where there is uncertainty as to whether and to what extent the tax authority will accept particular tax settlements for a transaction, the Company recognizes such settlements taking into account an uncertainty assessment.

Right of use

At the moment of contract signing, the Board of Directors verifies whether the contract contains any clauses that would meet the criteria of IFRS 16 Leases.

6 Contracts with customers

Sources of revenue

	12 months ended 31 December			
		2023 (audited)		**2022** (audited)
rev share	145,797	89%	177,804	97%
advertising	8,546	5%	617	0%
micropayments	565	0%	316	0%
other	9,223	6%	4,345	3%
	164,131	**100%**	**183,082**	**100%**
including:				
Platforms (distribution)	9,111	6%	933	1%

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

Distribution platforms

	12 months ended 31 December			
		2023 (audited)		**2022** (audited)
iOS	4,099	45%	675	72%
Android	4896	54%	215	23%
other	116	1%	43	5%
	9,111	**100%**	**933**	**100%**

Geographic data

	12 months ended 31 December			
		2023 (audited)		**2022** (audited)
Europe	157,643	96%	182,510	100%
North America	4,758	3%	406	0%
Other	1,730	1%	166	0%
	164,131	**100%**	**183,082**	**100%**

Leading business partners

	12 months ended 31 December			
		2023 (audited)		**2022** (audited)
BoomBit Games	143,889	88%	174,609	95%
ironSource	8344	5%	221	0%
Others	11,898	7%	8,252	5%
	164,131	**100%**	**183,082**	**100%**

7 Costs by type

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Amortization	9,393	9,908
Materials and energy consumption	460	452
Outsourced services, including:	144,156	154,492
Commissions of distribution platforms	164	94
User acquisition costs	91,966	109,143
Rev share costs	12,773	19,573
Taxes and levies	266	155
Salaries	15,399	12,605
Social security and other benefits	2,918	2,079
Other costs by type	1,194	326
Total costs by type	**173,786**	**180,017**
Development costs	(19,099)	(9,713)
General administrative costs	(13,621)	(12,077)
Cost of sales	**141,066**	**158,227**

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

8 Other operating revenue and costs

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Other operating revenue		
Amount of foreign exchange gains over foreign exchange losses	-	1,255
Reversal of impairment losses on receivables	1351	739
Other	320	115
	1,671	**2,109**

Other operating costs		
Impairment losses on receivables	(487)	(1,423)
Impairment losses on development cost	(269)	-
Donations	(6)	(33)
Loss on sale of non-financial non-current assets	(76)	(5)
Amount of foreign exchange losses over foreign exchange gains	(3,511)	-
Other	(399)	(226)
	(4,748)	**(1,687)**

9 Financial revenue and costs

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Financial revenue		
Valuation of participations	9,803	-
	3,256	3,943
Reversal of impairment losses on borrowings	-	336
Interest	1,683	661
	14,742	**4,940**

In October 2023, the Company received a dividend of PLN 2,845,000 from BoomBit Games Ltd. The other subsidiaries in 2023 decided to pay dividends totaling PLN 411,000 but the amounts were received in 2024. Dividends approved in resolutions but not received are presented in other receivables.

In 2022, the Company received a part of the dividend as the USDC cryptocurrency (equivalent of PLN 600,000). Given its non-monetary nature, it was not taken into account in the cash flow statement.

Financial costs		
Interest	(99)	(29)
Fair value measurement of shares	-	(919)
Impairment losses on borrowings	(5,634)	(1,939)
Other		(1)
	(5,733)	**(2,888)**

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

10 Income tax

Current tax

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Current tax on income in the financial year	-	(1,391)
Tax adjustment for previous years	(19)	1,335
Total current tax	**(19)**	**(56)**
Occurrence and reversal of temporary differences (deferred tax)	(2,904)	636
Recognition in statement of comprehensive income	**(2,923)**	**580**

The Company's income tax on gross profit before tax differs as follows from the theoretical amount that would have been obtained based on the tax rate applicable to the Company in a given year:

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Profit before tax	**15,376**	**15,252**
Theoretical tax calculated according to domestic rates that apply to income in Poland (19%)	(2,921)	(2,898)
Difference on tax according to another rate	-	1,669
Non-taxable revenue	803	895
Non-tax-deductible costs	(786)	(422)
– including costs of incentive schemes	(273)	(327)
Tax adjustment for previous years	(19)	1335
Charge on the financial result on account of income tax	**(2,923)**	**580**
Effective tax rate	19.0%	-3.8%

The effective tax rate in 2022 was lower than the nominal tax rate – which is 19% for the Company – because the Company was exempt from taxes on the received dividends and claimed the IP Box tax relief and filed an amended tax return for the 2021 income tax on account of claiming the IP Box tax relief.

Deferred tax

The deferred income tax assets and liabilities are offset in the Company's statement of financial position. There are no items for which a deferred income tax asset and liability were not created.

	31 December 2023 (audited)	**31 December 2022** (audited)
Deferred income tax asset		
– to be realized within a year	2,436	2,144
	2,436	**2,144**
Deferred income tax liability		
– to be realized within a year	7,824	4,629
	7,824	**4,629**
Deferred income tax liability (net value)	**(5,388)**	**(2,485)**

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

	31 December 2023 (audited)	31 December 2022 (audited)
Standalone statement of financial position		
Exchange differences	238	242
Remuneration to be paid in subsequent periods	154	146
Temporary differences for purchase of services	382	817
Tax loss	32	-
Allowances for receivables	1,562	869
Impairment loss on development cost	51	-
Other	17	70
Deferred income tax asset	**2,436**	**2,144**
Difference between the book value and the taxable value of development costs	(4,808)	(3,386)
Exchange differences	(168)	(361)
Difference between the book value and the taxable value of fixed assets	(69)	(71)
Fair value measurement of shares	(2,521)	(655)
Other	(258)	(156)
Deferred income tax liability	**(7,824)**	**(4,629)**
Deferred income tax liability (net value)	**(5,388)**	**(2,485)**

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Standalone statement of comprehensive income		
Exchange differences	(4)	234
Remuneration to be paid in subsequent periods	8	(183)
Temporary differences for purchase of services	(482)	322
Tax loss	32	(184)
Allowances for receivables	692	418
Impairment losses on development costs	51	-
Other	(6)	(51)
Deferred income tax asset	**291**	**556**
Difference between the book value and the taxable value of development costs	1423	67
Exchange differences	(193)	273
Difference between the book value and the taxable value of fixed assets	(1)	29
Fair value measurement of shares	1,866	-
Other	100	(449)
Deferred income tax liability	**3,195**	**(80)**
Charge to net profit/loss	**(2,904)**	**636**

<u>Change in the balance of deferred income tax:</u>

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Opening balance	(2,485)	(3,121)
Charge to profit/loss	(2,904)	636
Closing balance	**(5,388)**	**(2,485)**

11 Earnings per share

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

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Net result (PLN '000)	12,453	15,832
Number of shares* (as single shares)	13,539,852	13,478,122
Earnings per share – basic (in PLN)	**0.92**	**1.17**

* Weighted average number of shares in the reporting period

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

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Net result (PLN '000)	12,453	15,832
Number of shares* (as single shares)	13,564,622	13,513,407
Earnings per share – diluted (in PLN)	**0.92**	**1.17**

* Weighted average hypothetical number of shares in the reporting period

12 Dividends

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

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

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Dividends disclosed as disbursements to owners in PLN '000	10,438	11,224
Dividends disclosed as disbursements to owners per share in PLN	0.77	0.83

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

13 Property, plant and equipment

	Land	Buildings and structures	Machines and equipment	Means of transport	Right of use	Other fixed assets	**Total**
As at 1 January 2023 (audited)							
Cost	198	1,298	1,885	451	535	13	**4380**
Accumulated depreciation	-	(374)	(1,549)	(307)	(203)	(13)	**(2,446)**
Net value	**198**	**924**	**336**	**144**	**332**	**-**	**1934**
Increases	-	50	314	-	209	7	**580**
Movement	-	-	-	209	(209)	-	**-**
Movement – accumulated depreciation	-	-	-	(209)	209	-	**-**
Sales, liquidation – gross value	-	-	(492)	(266)	-	-	**(758)**
Sales, liquidation – total depreciation	-	-	470	132	-	-	**602**
Depreciation	-	(79)	(421)	(10)	(182)	(7)	**(699)**
As at 31 December 2023 (audited)							
Cost	198	1,348	1,707	394	535	20	**4,202**
Accumulated depreciation	-	(453)	(1,500)	(394)	(176)	(20)	**(2,543)**
Net value	**198**	**895**	**207**	**-**	**359**	**-**	**1659**

	Land	Buildings and structures	Machines and equipment	Means of transport	Right of use	Other fixed assets	**Total**
As at 1 January 2022 (audited)							
Cost	198	1,148	1,404	185	328	13	**3276**
Accumulated depreciation	-	(309)	(1,266)	(185)	(166)	(12)	**(1,938)**
Net value	**198**	**839**	**138**	**-**	**162**	**1**	**1,338**
Increases	-	150	543	147	326	-	**1,166**
Movement	-	-	-	119	(119)	-	**-**
Sales, liquidation – gross value	-	-	(62)	-	-	-	**(62)**
Sales, liquidation – total depreciation	-	-	62	-	-	-	**62**
Depreciation	-	(65)	(345)	(3)	(156)	(1)	**(570)**
Depreciation – movement	-	-	-	(119)	119	-	**-**
As at 31 December 2022 (audited)							
Cost	198	1,298	1,885	451	535	13	**4,380**
Accumulated depreciation	-	(374)	(1,549)	(307)	(203)	(13)	**(2,446)**
Net value	**198**	**924**	**336**	**144**	**332**	**-**	**1,934**

	12 months ended 31 December	
	2023	**2022**
Depreciation charged to:		
Cost of services sold	420	345
General administrative costs	279	225
	699	**570**

The Company did not have any commitments to incur expenses connected with purchase of property, plant and equipment as at 31 December 2023 and 31 December 2022.

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

14 Lease

In 2023 and the in previous years, the Company entered into car lease contracts. The Board of Directors decided that those contracts meet the IFRS 16 criteria and would be recognized as leases. The contracts were disclosed as right of use in property, plant and equipment and as other financial liabilities (long- and short-term).

Amounts disclosed in statement of financial position

	31 December 2023 (audited)	31 December 2022 (audited)
Right-of-use assets		
Property, plant and equipment, including:	359	332
Right of use	359	332
	359	**332**
Other financial liabilities		
Lease liability	348	290
– long-term	150	187
– short-term	198	103
	348	**290**

Increases in right-of-use assets were PLN 209,000 versus the PLN 326,000 increase in 2022.

Amounts disclosed in the statement of comprehensive income

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Depreciation of right-of-use assets:	**(182)**	**(156)**
Right of use	(182)	(156)
Interest costs (included in financial costs)	**(65)**	**(20)**

Amounts disclosed in the cash flow statement

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Total outflows for lease	**(216)**	**(203)**
Repayment of lease liabilities	(151)	(183)
Lease interest	(65)	(20)

In addition, the Company leases office space. As at 1 January 2019, i.e., at the moment of IFRS 16 implementation, the Company used an exemption and did not recognize lease on this account. The description regarding the establishment of the lease period is provided in Note 2.3. The lease payments for the 12 months of 2023 totaled PLN 265,000 (versus the PLN 226,000 in 2022).

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

15 Intangible assets

	Completed development work – Games	Completed development work – support tools	Acquired intangible assets, including rights in games	Incomplete development work (assets in progress)	Acquired incomplete development work (assets in progress)	Advances for acquired intangible assets	**Total**
As at 1 January 2023 (audited)							
Cost	42,631	18,121	-	4,013	-	-	**64,765**
Accumulated amortization	(31,749)	(11,994)	-	-	-	-	**(43,743)**
Impairment losses	(3,155)	(48)	-	-	-	-	**(3,203)**
Net value	**7,727**	**6,079**	**-**	**4,013**	**-**	**-**	**17,819**
Increases	4	-	-	16,225	2,874	617	**19,720**
Gross sales/liquidation	-	-	-	(50)	-	-	**(50)**
Transfer between categories	8,192	7,456	58	(15,648)	(58)	-	**-**
	(5,789)	(2,903)	(2)	-	-	-	**(8,694)**
Creation of impairment losses	-	-	-	-	(269)	-	**(269)**
As at 31 December 2023 (audited)							
Cost	50,827	25,577	58	4,540	2,816	617	**84,435**
Accumulated amortization	(37,538)	(14,897)	(2)	-	-	-	**(52,437)**
Impairment losses	(3,155)	(48)	-	-	(269)	-	**(3,472)**
Net value	**10,134**	**10,632**	**56**	**4,540**	**2,547**	**617**	**28,526**

	Completed development work – Games	Completed development work – support tools	Acquired intangible assets, including rights in games	Incomplete development work (assets in progress)	Acquired incomplete development work (assets in progress)	Advances for acquired intangible assets	**Total**
As at 1 January 2022 (audited)							
Cost	37,965	15,716	-	1,861	-	-	**55,542**
Accumulated amortization	(25,650)	(9,231)	-	-	-	-	**(34,881)**
Impairment losses	(3,155)	(48)	-	-	-	-	**(3,203)**
Net value	**9,160**	**6,437**	**-**	**1,861**	**-**	**-**	**17,458**
Increases	-	-	-	9,713	-	-	**9,713**
Gross transfer between categories	5,156	2405	-	(7,561)	-	-	**-**
Transfer between categories – total amortization	34	(34)	-	-	-	-	**-**
Gross sales/liquidation	(490)	-	-	-	-	-	**(490)**
Sales/liquidation total amortization	476	-	-	-	-	-	**476**
Amortization	(6,609)	(2,729)	-	-	-	-	**(9,338)**
As at 31 December 2022 (audited)							
Cost	42,631	18,121	-	4,013	-	-	**64,765**
Accumulated amortization	(31,749)	(11,994)	-	-	-	-	**(43,743)**
Impairment losses	(3,155)	(48)	-	-	-	-	**(3,203)**
Net value	**7,727**	**6,079**	**-**	**4,013**	**-**	**-**	**17,819**

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

	12 months ended 31 December	
	2023	**2022**
Amortization charged to:		
Cost of sales	8,694	9,338
	8,694	**9,338**

Development costs for the 12 months ended on 31 December 2023 include expenses on outsourced services of PLN 13,597,000 and expenses on salaries and the related contributions of PLN 5,502,000.

Development costs for the 12 months ended on 31 December 2022 include expenses on outsourced services of PLN 6,444,000 and expenses on salaries and the related contributions of PLN 3,269,000.

In the previous and current financial year, the Company analyzed development costs for completed and non-completed development work and conducted relevant impairment tests for those assets.

Costs of development work in progress

The Company evaluated the projects in the production pipeline and conducted impairment tests. The following assumptions were adopted for the tests:

- the period adopted for the projection of flows depended on the expected lifecycle of particular game titles in accordance with the accounting policy;
- a discount rate (weighted average cost of capital) of 8.3% (13.6% in the benchmarking period);
- cash flow projections were estimated based on internal benchmarks for the most similar titles and on the expected cost of completing the development work.

Based on an analysis and on estimations and professional judgments taking into account the projects to date, assets are subject to impairment losses and are brought down to the amount which the Company expects to achieve in the future for the use or sale of the respective asset. In 2023, impairment losses of PLN 269,000 were recognized on acquired development work in connection with the discontinuation of several projects. The Company recognized a 100% impairment loss for such projects. As a result of tests for the remaining items of development work in progress, the Company established that the recoverable amount (determined based on the value-in-use) of these items was higher than their book values and so there was no need to recognize any extra impairment losses. No impairment losses were recognized on that account.

Sensitivity analyses show that the key factors influencing the functional value are: the discount rate and the cash flows from games. Neither the cash flows lower by ten percent nor the discount rate higher by one percentage point resulted in the need to recognize extra impairment losses.

Costs of completed development work

In addition, the Company reviewed the costs of completed development work at the end of the reporting period 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 assumptions adopted for the tests were analogical to those defined for costs of development work in progress, and the cash flow projection was estimated through extrapolation of the observed performance of the games.

As a result of the tests, the Company established that the recoverable amount (determined based on the functional value) of the items of costs of completed development work was higher than their book values and so there was no need to recognize any impairment losses.

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

Sensitivity analyses show that the key factors influencing the functional value are: the discount rate and the cash flows from games. Neither cash flows lower by ten percent nor a discount rate higher by one percentage point would have resulted in the need to recognize an impairment loss.

16 Shares

Shares in affiliates

Name of company	Registered office	Objects of business	Capital tie description	% of ownership and voting rights	Date of taking up the shares
BoomBit Games Ltd.	London, United Kingdom	publishing of computer games	subsidiary/full	100%	28 February 2018
Play With Games Ltd.	London, United Kingdom	publishing of computer games	subsidiary/full	100%	30 March 2018
PixelMob Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	100%	28 February 2018
TapNice S.A.	Gdańsk, Poland	publishing of computer games	subsidiary/full	60%	16 October 2018
BoomHits Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	100%	16 October 2018
BoomPick Sp. z o.o.	Gdynia, Poland	publishing of computer games	subsidiary/full	60%	21 February 2022
Mindsense Games Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	100%	28 February 2018
ADC Games Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	50%	23 February 2021
Maisly Games Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	100%	28 May 2021
Mobile Esports Sp. z o.o.	Gdańsk, Poland	publishing of computer games	subsidiary/full	51%	5 September 2023
BoomLand FZ-LLC.	Rakez, UAE	blockchain-based projects	subsidiary/full	100%	12 October 2023

On 05 September 2023, the Company acquired 52 shares of Mobile Esports Sp. z o.o. ("Mobile Esports") for PLN 4,000, which was 51% of its share capital. At the moment of the acquisition, Mobile Esports was not engaged in any operating activities. ME will use its original 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.

Pursuant to the investment contract concluded with the Vice-President of the Board of Directors on 30 June 2022, the Company entered into a contract on 12 October 2023 for the purchase of 100% of BoomLand FZ-LLC shares.

Impairment of shares of affiliates

At the end of the reporting period, the Company performed an impairment test of the shares of BoomBit Games Ltd. The recoverable amount was established based on the value-in-use. The following assumptions were adopted for the test:

- the period adopted for the projection of flows depended on the expected lifecycle of particular game titles in accordance with the accounting policy,
- a discount rate (weighted average cost of capital) of 8.3% (13.6% in the benchmarking period),
- a growth rate of 2% in the residual period (2% in the benchmarking period),

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

- projections of cash flows for the existing games were estimated based on extrapolations of the observed results and for new games based on internal benchmarks.

As a result of the test, the Company established that the recoverable amount of the shares was higher than their book value so there was no need for impairment losses. The Company arrived at the same conclusions in the benchmarking period.

Sensitivity analyses show that the key factors influencing the functional value are: the discount rate and the cash flows from games. Neither the cash flows lower by ten percent nor the discount rate higher by one percentage point resulted in the need to recognize an impairment loss.

In the reporting period, the Company recognized a complete impairment loss for shares of the co-controlled company Moondrip Sp. z o.o. of PLN 20,000 in connection with the liquidation of that company. Moondrip was liquidated in October 2023. The allowance for its shares was utilized.

Shares of other parties

Name of company	Registered office	Objects of business	Capital tie description	% of ownership and voting rights	Date of taking up the shares
SuperScale s.r.o.	Gdańsk, Poland	publishing of computer games	no ties	11%	26 July 2018

Impairment of shares of other parties
Shares of other parties are measured at fair value. Details of the measurement are presented in Note 22.

17 Cryptographic assets

The Company had the following cryptographic assets on 31 December 2023:

	31 December 2023 (audited)	31 December 2022 (audited)
USDC cryptocurrencies	49	585
Total cryptocurrency balance, including:	**49**	**585**
– cryptocurrency impairment losses	(3)	(15)

In the reporting period, cryptocurrency impairment losses of PLN 3,000 were recognized in respect of the cryptocurrency market value and charged to other operating costs.

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

18 Trade receivables, other receivables and prepayments

	31 December 2023 (audited)	31 December 2022 (audited)
Trade receivables		
Trade receivables – other parties	858	2,823
Trade receivables – affiliates	41,591	40,916
Impairment loss on trade receivables	(1,548)	(2,446)
Net trade receivables	**40,901**	**41,293**
Other receivables and prepayments		
VAT receivables	2,437	3,760
Other prepayments	5,546	3,953
Other receivables	420	4.
Other net receivables	**8,403**	**7,717**
Trade and other receivables	**49,304**	**49,010**

Balance sheet values of trade receivables and other receivables of the Company are denominated in the following currencies:

	31 December 2023 (audited)	31 December 2022 (audited)
USD	39,414	36,465
PLN	9,789	12,465
GBP	47	-
EUR	6	80
Other	48	-
	49,304	**49,010**

<u>Impairment of trade receivables</u>

As at the balance sheet date, the Company verified its receivables for expected credit losses (ECL) as required by IFRS 9. Presented below is the aging of past-due trade receivables (net values):

	31 December 2023 (audited)	31 December 2022 (audited)
Up to 3 months	7,468	5,792
Above 3 to 6 months	1	35
Above 6 months	-	79
	7,469	**5,906**

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

The receivable from a foreign business partner, a Finnish game producer ("business partner"), was subjected to a separate analysis. In conjunction with the bankruptcy petition filed by the business partner, the Company created an impairment loss on 100% of the net receivables of PLN 409,000 (of which PLN 49,000 in 2023). The Company does not believe that the remaining part of the amount owed is likely to be repaid.

An individual analysis was also conducted for receivables from affiliates. The analysis revealed that there were grounds for recognizing an impairment loss on receivables, which is why the Company prepared and individual impairment test using the scenario method and, consequently, recognized an impairment loss of PLN 1,139,000, referring to the exposure at

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

BoomHits Sp. z o.o., Skyloft Sp. z o.o. and BoomPick Sp. z o.o. On the day ending the reporting period, the Company had an impairment loss on receivables from affiliates of PLN 2,235,000. The creation of impairment losses in the current reporting period pertained to some of the exposure at BoomPick Sp. z o.o. and to the attachment of the impairment loss to receivables from a non-affiliate. Reversal of impairment losses in the current reporting period pertained to the exposure at BoomHits Sp. z o.o. and Skyloft Sp. z o.o.

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

	31 December 2023 (audited)	31 December 2022 (audited)
Opening balance	2,446	1,762
Impairment loss creation	459	1,423
Impairment loss reversal	(1,357)	(739)
Closing balance	**1,548**	**2,446**
including:		
Stage 1	-	-
Stage 2	-	-
Stage 3	1,548	2,446

Balance of receivables by stage of impairment:

	31 December 2023 (audited)	31 December 2022 (audited)
Net trade receivables	40,901	41,293
Impairment loss on trade receivables	(1,548)	(2,446)
Gross trade receivables	**42449**	**43739**
including:		
Stage 1	24,882	30,929
Stage 2	101	145
Stage 3	17,466	12,665

19 Cash and cash equivalents

	31 December 2023 (audited)	31 December 2022 (audited)
Cash at bank	14,715	5,820
Units in investment fund	1,971	-
Term deposits up to three months	-	25,617
Balance of cash and cash equivalents disclosed in the statement of financial position	**16,686**	**31,437**
Unrealized exchange rate differences	(79)	(498)
Balance of cash and cash equivalents	**16,607**	**30,939**
including restricted cash	**-**	**-**

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

20 Capital and equity

The share capital and the shareholder structure as at the publication date of these financial statements and as at 31 December 2023 were as follows:

	Number of shares	Par value
Class A – registered shares with preference as to votes (two 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	919420	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%**

Share capital and shareholding structure as at 31 December 2022:

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

	Number of shares	Par value	Percentage of capital	Percentage of votes
Karolina Szablewska-Olejarz	1,838,839	919,420	13.62%	14.56%
Marcin Olejarz	1,867,850	933,925	13.84%	14.71%
ATM Grupa S.A.	4,000,000	2,000,000	29.63%	30.77%
We Are One Ltd.*	3,725,000	1,862,500	27.59%	29.36%
Other shareholders	2,068,311	1,034,156	15.32%	10.61%
	13,500,000	**6,750,000**	**100.00%**	**100.00%**

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

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

21 Trade and other liabilities

	31 December 2023 (audited)	31 December 2022 (audited)
Short-term trade liabilities		
Trade liabilities – other entities	27,925	20,536
Trade liabilities – affiliates	1373	107
	29,298	**20,643**
Other short-term trade liabilities		
Personal income tax liabilities	129	105
Liabilities arising from other tax and other contributions	977	694
Employee benefit liabilities	1,268	1,043
Other liabilities	12,391	96
	14,765	**1,938**
Trade and other liabilities	**44,063**	**22,581**

Carrying values of trade liabilities and other liabilities of the Company are denominated in the following currencies:

	31 December 2023 (audited)	31 December 2022 (audited)
PLN	18,640	4,506
GBP	48	48
EUR	414	202
USD	24,961	17,825
	44,063	**22,581**

Maturity analysis for trade and other liabilities:

	31 December 2023 (audited)	31 December 2022 (audited)
Trade and other liabilities		
- maturing within 3 months of the balance sheet date	44,063	22,581
	44,063	**22,581**

The values of the provisions included in short-term liabilities and their amendment in particular periods were as follows:

	Provision for pensions	Provision for leaves	Total
For the 12 months of 2023			
Opening balance	35	341	**376**
Increase in provisions recognized as cost in the period	10	50	**60**
Balance of provisions as at 31 December 2023	**45**	**391**	**436**

	Provision for pensions	Provision for leaves	Total
For the 12 months of 2022			
Opening balance	29	331	**360**
Increase in provisions recognized as cost in the period	6	10	**16**
Balance of provisions as at 31 December 2022	**35**	**341**	**376**

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

22 Financial instruments by type

The Company had only financial assets and liabilities measured at amortized cost, except for the shares of SuperScale s.r.o. ("SuperScale") and units in investment funds of the money market measured at fair value through profit or loss.

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

Financial assets

	31 December 2023 (audited)	31 December 2022 (audited)
Assets measured at amortized cost		
Trade receivables	40,901	41,293
Other financial assets	8,603	8,746
Cash and deposits	14,636	30,939
	64,140	**80,978**
Financial assets measured at fair value through profit or loss		
Interests and shares in other entities	13,308	3,509
Cash equivalents	1,971	-
	15,279	**3,509**
Financial assets	**79,419**	**84,487**

Financial assets measured at amortized cost

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

- PLN 121,000 loan granted to Mindsense Games Sp. z o.o. The loan interest rate is 3M WIBOR plus margin. The agreed loan repayment date was set as 31 December 2024.
- PLN 6,000,000 loan granted to BoomHits Sp. z o.o. The loan interest rate is 3M WIBOR plus margin. The agreed loan repayment date was set as 31 December 2024. The Company recognized a PLN 742,000 impairment loss for this asset.
- PLN 690,000 loans granted to Maisly Games Sp. z o.o. The loan interest rate is 3M WIBOR plus margin. 31 December 2024 was set as the repayment date of the final tranche of the loan.
- USD 593,000 loan granted to SkyLoft Sp. z o.o. The loan interest rate is 3M LIBOR plus margin. The Company recognized a 100% impairment loss for this asset.
- PLN 2,282,000 loans granted to BoomPick Games Sp. z o.o. The loan interest rate is 3M WIBOR plus margin. The Company recognized a 100% impairment loss for the loan.
- USD 561,000 loans granted to BoomLand FZ-LLC. The loan interest rate is 3M SOFR plus margin. The agreed loan repayment date is 26 May 2024. The Company recognized a PLN 1,192,000 impairment loss for this asset.
- PLN 500,000 loan granted to Mobile Esports Sp. z o.o. The loan interest rate is 1M WIBOR plus margin. The agreed loan repayment date is 31 December 2026

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

	31 December 2023 (audited)	31 December 2022 (audited)
Other financial assets		
Loans to affiliates	15,487	9,051
Impairment loss on loans granted to affiliates	(6,884)	(2,548)
Net loans granted to affiliates, including:	**8,603**	**6,503**
– tangible assets	510	1,530
– current assets	8,093	4,973
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
– current assets	-	-
Other net financial assets	**8,603**	**8,746**

Carrying values of other financial assets of the Company are denominated in the following currencies:

	31 December 2023 (audited)	31 December 2022 (audited)
PLN	7,447	4,930
GBP	-	-
EUR	-	2,243
USD	1,156	1,573
	8,603	**8,746**

Impairment of loans granted

As at the balance sheet date, the Company verified the loans granted for expected credit losses (ECL) as required by IFRS 9.
The applied expected credit losses model showed impairment of loans granted. The Company recognized an impairment loss of PLN 6,884,000 in the books as at 31 December 2023, which applied in its entirety to exposure in affiliates, i.e., BoomHits Sp. z o.o., BoomLand FZ, Skyloft Sp. z o.o. and BoomPick Sp. z o.o. On the day ending the reporting period, the Company recognized an impairment loss on loans granted of PLN 2,548,000.

Change in the impairment losses on loans granted

	31 December 2023 (audited)	31 December 2022 (audited)
Opening balance	2,548	945
Impairment loss creation	5,634	1,939
Impairment loss reversal	-	(336)
Impairment loss utilization	(1,298)	-
Closing balance	**6,884**	**2,548**
including:		
Stage 1	-	-
Stage 2		250
Stage 3	6,884	2,298

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

Balance of loans by stage of impairment:

	31 December 2023 (audited)	31 December 2022 (audited)
Other net financial assets	8,603	8,746
Impairment loss on other financial assets	(6,884)	(2,548)
Other gross financial assets	**15487**	**11294**
including:		
Stage 1	659	3727
Stage 2	754	1,833
Stage 3	14,074	5,734

Financial assets measured at fair value through profit or loss

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

- Level 1 – fair value based on listed prices (unadjusted) offered for identical assets or liabilities in active markets to which the Company 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.

As a part of that round, SuperScale secured almost EUR 5 million in exchange for newly issued shares. After the registration of the changes in the shareholder structure, BoomBit now holds 11.38% of shares in SuperScale's share capital. In connection with the above transaction, the Company measured the SuperScale shares at fair value as at 31 December 2023, based on the number of shares and the subscription prices for the investors participating in the investment round. The Company 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 31 December 2023, the measurement was PLN 13.3 million, which is an increase by PLN 9.8 million – an amount recognized in the Company's profit and loss account as financial revenue.
In its management of financial surpluses, the Company purchased units in foreign investment funds of the money market. The fair value of the units as at 31 December 2023 was PLN 2 million.

Financial instruments measured at fair value by level:

	31 December 2023 (audited)	31 December 2022 (audited)
Interests and shares in other entities	13,308	3,509
Units in investment fund	1,971	-
Closing balance	**15,279**	**3,509**
including:		
Stage 1	1,971	-
Stage 2	13,308	3,509
Stage 3	-	-

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

Financial liabilities

	31 December 2023 (audited)	31 December 2022 (audited)
Liabilities measured at amortized cost		
Trade liabilities	29,298	20,643
Other financial liabilities	348	21,214
	29,646	**41,857**
Financial liabilities	**29,646**	**41,857**

	31 December 2023 (audited)	31 December 2022 (audited)
Other financial liabilities		
Lease liability	348	290
– long-term	150	187
– short-term	198	103
Lease liabilities	-	20,924
	348	**21,214**

Contract liabilities pertained to the ad mediation contract entered into with ironSource Mobile Ltd. ("IS") in 2022. In connection with the performance of the contract, the Company received a one-off payment ("Integration Fee") and undertook to maintain a specific percentage of revenue earned from advertising through the mediation of IS ("Advertising Revenue") for 24 months after attaining the Advertising Revenue percentage specified in the contract ("Required Period"). The Company undertook to commence and end the process of integration with the SDK (software development kit) of IS as soon as possible after the contract effective date but not later than on 1 March 2023. On 31 December 2022 the contractual terms which would allow the Company to recognize the cash received from IS as revenue were not met yet. The first period for which the Company recognized revenue on that account – 1/24 of the received Integration Fee – was March 2023. The Company reclassified the fee received in advance into deferred income. The income not yet recognized on that account by 31 December 2023 is PLN 12.3 million.

Maturity analysis for lease liabilities

	31 December 2023 (audited)	31 December 2022 (audited)
Lease liability		
– maturing within 3 months of the balance sheet date	50	28
– maturing within 3 months to 1 year of the balance sheet date	149	75
– maturing later than 1 year after the balance sheet date	150	187
	348	**290**

23 Share-based payments

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

1. 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.

On 3 January 2023, 40,000 class F Company shares were assigned, issued as a part of a conditional share capital increase. The shares were assigned in connection with the exercise of the right to take up Company shares by the Beneficiary of class C subscription warrants. On 25 April 2023, class F ordinary registered shares were converted to ordinary bearer shares in the deposit system, whereas on 10 August 2023 they were admitted to trading in the Warsaw Stock Exchange.

2. An Extraordinary General Meeting of the Company was held on 21 April 2022 and it adopted resolutions as regards adopting the following incentive schemes. Additionally, the Company's Extraordinary General Meeting amended Scheme 1 on 16 August 2023.

Scheme 1

Incentive scheme for the Company's Directors for 2022-2024 which assumes issue of no more than 100,000 class D subscription warrants no more than 200,000 class E warrants. The warrants will be issued free of charge and the share issue price will be PLN 0.50 per share. The implementation of Scheme 1 will depend on whether the General Meeting adopts resolutions on profit distribution for the financial year 2022, 2023, or 2024, where it decides that some or all of the profit will be intended for dividend and also on whether the scheme participant remained a Director from the moment of being listed as Scheme 1 participant to the last financial year preceding the year when the warrants were offered.

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

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

- W – total number of warrants available to the participants;
- D – 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 three months preceding the date of the resolution on profit distribution in a given year of the incentive scheme.

The amount of the provision recognized on that account in the current reporting period was PLN 377,000 and it was disclosed in other capitals.

By 18 July, the Company's Supervisory Board granted the right to take up 100,000 class D subscription warrants to the Directors, Marcin Olejarz, Marek Pertkiewicz, and Anibal Jose da Cunha Saraiva Soares. On 2 and 3 October, Company Directors took up the warrants they were offered and the warrants were recorded in in the brokerage accounts on 08 January 2024, which was the commencement date of the rights under the class D subscription warrants to take up class G shares.

The value of the right to the subscription warrants was lower by PLN 180,000 than the provision created in 2022. As a result, the Company released the provision for this amount in 2023.

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

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 1,242,000 and it was disclosed in other capitals.

24 Note to standalone cash flow statement

	12 months ended 31 December	
	2023 (audited)	**2022** (audited)
Receivables		
Change of balance arising from the statement of financial position	**(151)**	**6,185**
– change in the balance of receivables for loans granted	(143)	2313
– changes in provisions for trade receivables	(752)	(684)
Change of balance arising from the cash flow statement	**(1,046)**	**7814**
Liabilities		
Change of balance arising from the statement of financial position	**616**	**12,623**
– change in balance of options liabilities	-	476
– capital increase contributions	20	(20)
– change in balance of lease liabilities	150	183
Change of balance arising from the cash flow statement	**786**	**13,262**

25 Project grant under Operational Program Smart Growth 2014–2020 ("GameInn Program")

On 15 September 2020, the Company entered into a grant agreement with the National Centre for Research and Development (NCBiR) for the Company's project entitled: "Development of a system based on an artificial intelligence algorithm to modifies game parameters during the gameplay in order to maximize the revenue of game creators who use Unity and to increase their savings in the process of adapting games to the needs of gamers" (Agreement").

Pursuant to the Agreement, the schedule of works provided for project execution from Q3 of 2020 to Q2 of 2023, with the total assumed cost of PLN 7.2 million and a maximum grant amount of PLN 3.8 million. An addendum was signed to the Agreement in February 2023 to extend the project period to 31 October 2023.

The project implementation period ended on 31 October 2023. In accordance with the grant agreement, the Company submitted a summary report to the NCBiR (Polish National Centre for Research and Development) where it summarized the achievement of all the milestones and requirements defined in the application. On 2 January 2024, the Company was informed by the NCBiR that the R&D project content report had been approved. On 15 April 2024, the NCBiR recognized the project was completed in terms of both content and financial matters.

Until 31 October 2023, Company received a grant totaling PLN 1,929,000, including PLN 703,000 this year (PLN 1,226,000 in 2022 and PLN 2,849,000 from the start of the project), of which it settled the following in 2023:

- PLN 55,000 was disclosed in the statement of financial position as deferred income (item Trade and other liabilities) of 2022
- PLN 731,000 was recognized as reduction of the value of the development cost asset (PLN 2,793,000 from the start of the project),
- PLN 18,000 was disclosed in the statement of comprehensive income in other operating revenue (PLN 46,000 from the start of the project),
- PLN 9,000 remains to be settled by the NCBiR – it was disclosed in the statement of financial position as deferred income (item: Trade and other liabilities).

The tool created as a part of the project was included in intangible assets – completed development work – on 31 October 2023 with an initial value of PLN 3.6 million and an amortization period of 5 years. The carrying value of the tool on the balance sheet date was PLN 3.4 million.

26 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.

Loans granted are related to the Company financing the operations of its affiliates. The loans bear interest and are not secured.

Impairment losses of PLN 1,139,000 were created for receivables from affiliates and impairment losses of PLN 6,884,000 were created for loans granted (Notes 18 and 22). The table presents net values of the receivables and loans.

Liabilities toward affiliates are mainly from purchasing transactions and the payment date is 60 days following the purchase date. The liabilities do not bear interest.

Trade receivables and liabilities arise not only from revenue and purchase but also from cost re-invoicing between the Group's companies. Re-invoices are not disclosed in revenue and purchases in the table below.

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

Settlements and transactions with affiliates as at 31 December 2023 and for the year ended 31 December 2022:

	Trade and other receivables	Granted loans	Trade and other liabilities	Received loans	Revenue	Purchase
	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)
Parties with significant influence						
Karolina Szablewska-Olejarz	1	-	-	-	11	269
Marcin Olejarz	1	-	2	-	11	37
Marek Pertkiewicz	-	-	-	-	13	-
Subsidiaries						
BoomBit Games Ltd.	24,118	-	235	-	146,734	427
BoomBit Inc.	20	-	43	-	(50)	-
Maisly Games Sp. z o.o.	101	754	5	-	89	9
TapNice Sp. z o.o.	650	-	122	-	613	446
BoomHits Sp. z o.o.	11,213	6,034	836	-	3,333	2,560
PixelMob Sp. z o.o.	57	-	-	-	190	-
Play With Games Ltd.	50	-	-	-	211	-
ADC Games Sp. z o.o.	265	-	109	-	517	316
Mindsense Games Sp. z o.o.	14	149	-	-	63	1,410
SkyLoft	117	-	20	-	213	117
PlayEmber	7	-	-	-	22	-
BoomPick Sp. z o.o.	-	-	3	-	387	5
PlayEmber FZ-LLC	48	-	-	-	66	-
Boomland Global*	1	-	-	-	2	-
Mobile Esports*	12	510	-	-	21	-
BoomLand FZ-LCC	4,191	1,156	-	-	4,317	-
Joint ventures						
Moondrip Sp. z o.o.**	-	-	-	-	70	3
	40,866	**8,603**	**1,375**	**-**	**156,833**	**5,599**

* The amounts disclosed in revenue and purchases are related to the periods from the moment the company was incorporated or brought under control, for Boomland Global – from September 2023, for Mobile Esports from September 2023

** The amounts stated in revenue and purchase refer to periods from the beginning of the year to the Moondrip liquidation date in October 2023.

Settlements and transactions with affiliates as at 31 December 2022 and for the year ended 31 December 2022:

	Trade and other receivables	Granted loans	Trade and other liabilities	Received loans	Revenue	Purchase
	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)
Parties with significant influence						
Karolina Szablewska-Olejarz	1	-	-	-	4.	228
Marcin Olejarz	1	-	9	-	12	-
Marek Pertkiewicz	-	-	-	-	9	-
Subsidiaries						
BoomBit Games Ltd.	26,337	-	-	-	174,610	217
BoomBit Inc.	25	-	35	-	94	-
Maisly Games Sp. z o.o.	145	389	-	-	87	12
TapNice Sp. z o.o.	37	-	-	-	416	7
BoomHits Sp. z o.o.	8,069	3,057	72	-	3,760	84
PixelMob Sp. z o.o.	168	-	-	-	570	-
Play With Games Ltd.	124	-	-	-	622	-
ADC Games Sp. z o.o.	1,580	-	-	-	454	-
Mindsense Games Sp. z o.o.	16	281	-	-	138	1,285
SkyLoft	1,937	380	-	-	298	-
PlayEmber	6	-	-	-	10	-
BoomPick Sp. z o.o.*	242	1,203	-	-	281	-
BoomLand FZ-LCC**	-	1,193	-	-	22	-
Joint ventures						
Moondrip Sp. z o.o.	-	-	-	-	107	-
	38,688	**6,503**	**116**	**-**	**181,494**	**1,833**

* The amounts disclosed in revenue and purchases are related to the periods from the moment the company was incorporated or brought under control – from February 2022 for BoomPick and from May 2022 for BoomLand FZ-LCC

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

Salaries and other benefits provided to the governing bodies and key management of the Company

	12 months ended 31 December	
	2023	**2022**
	(audited)	(audited)
Salaries and other benefits for the Directors, including:	6,693	8,150
Provision for bonuses for the Directors	377	1,375
Dividend	4,306	4,641
Salaries and other benefits for the Supervisory Board, including:	1,828	1,880
Dividend	1,416	1,526
Salaries of key management	186	369
	8,707	**10,399**

Starting from November 2020, the Company operates Employee Capital Plans (PPK); the costs of the scheme incurred for the governing bodies and the management of BoomBit S.A. are insignificant.

27 Disclosures on the fee of the certified auditor or the auditing firm

The table below presents the fee of the auditing firm paid or payable for the year ended 31 December 2023 and for the benchmarking period:

	31 December 2023	**31 December 2022**
	(audited)	(audited)
Mandatory audit of annual standalone and consolidated financial statements	101	101
Review of annual standalone and consolidated financial statements	53	53
Other certification services	5	20
Total	**159**	**174**

Other certification services include the fee for review of the salaries report and, additionally in 2022, for the audit of the half-yearly standalone financial statements of the of the Company.

28 Subsequent events

- On 10 April 2024, an agreement was signed to terminate the investment and shareholder contract signed on 21 February 2022 by the Company, Cherrypick Games S.A. ("Cherrypick") and BoomPick Games Sp. z o.o. ("BoomPick"). In order to perform the agreement and end the participation of Cherrypick in the joint venture, a contract was signed whereunder Cherrypick sold 40% of BoomPick shares to the Company for their nominal value. This way the Company became a 100% owner of BoomPick.
- On 10 April, the liquidation of the affiliate SkyLoft Sp o.o. opened.

These standalone financial statements were prepared and signed by the Company's Board of Directors on 18 April 2024.

Marcin Olejarz
CEO

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

Marek Pertkiewicz
Director

Person responsible for keeping the books:

Alicja Bekalarczyk
Chief Accountant