

# FINANCIAL STATEMENTS OF CREEPY JAR S.A.

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for 2021



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Warsaw, 27.04.2022

## **DISCLAIMER**

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## SELECTED FINANCIAL DATA

Balance sheet	thous. PLN		thous. EUR	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Fixed assets	5,377	3,187	1,169	691
Current assets	68,992	34,695	15,000	7,518
Equity	71,048	35,481	15,447	7,689
Provisions for liabilities	593	109	129	24
Long-term liabilities	228	422	50	91
Short-term liabilities	2 500	1 832	544	397
Prepayments and accruals	0	38	0	8
Book value (in PLN)	71,048,361	35,481 063	15,447,311	7,688 538
Number of ordinary shares	679,436	679,436	679,436	679,436
Book value per share (in PLN)	104.57	52.22	22.74	11.32
Diluted number of ordinary shares	698,203	697,567	698,203	697,567
Diluted book value per share (in PLN)	101.76	50.86	22.12	11.02
Profit and loss account	thous. PLN		thous. EUR	
	01.01.2021 -31.12.2021	01.01.2020 -31.12.2020	01.01.2021 -31.12.2021	01.01.2020 -31.12.2020
Net revenues from sales	46 128	37 671	10 077	8 420
Operating expenses	15 932	12 160	3 480	2 718
Profit (loss) on sales	30 196	25 511	6 597	5 702
Profit (loss) on operating activities	30 193	25 506	6 596	5 701
Gross profit (loss)	31 389	24 471	6 857	5 469
Net profit (loss)	29 103	22 409	6 358	5 008
Cash flow statement	thous. PLN		thous. EUR	
	01.01.2021 -31.12.2021	01.01.2020 -31.12.2020	01.01.2021 -31.12.2021	01.01.2020 -31.12.2020
Net cash flows from operating activities	35 506	25 078	7 757	5 605
Net cash flows from investment activities	-3 600	-3 174	-786	-709
Net cash flows from financial activities	-163	-148	-36	-33
Cash opening balance	27 993	6 237	6 115	1 394
Cash closing balance	59 736	27 993	13 050	6 257

Principal items of the financial statements have been converted into EUR at the average exchange rates determined by the National Bank of Poland according to the following principle:

- a) Balance sheet at the exchange rate in force on the last date of a given period:
  - Exchange rate as of 31 December 2021 - 4.5994
  - Exchange rate as of 31 December 2020 - 4.6148
- b) Profit and loss account and cash flow statement at the average exchange rates in a given period, calculated as the arithmetic mean of the exchange rates in force on the last date of each month in a given period;
  - Average exchange rate in 2021 - 4.5775
  - Average exchange rate in 2020 - 4.4742

**BALANCE SHEET***(in PLN)*

<b>ASSETS</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>I. Fixed assets</b>		<b>5 377 436</b>	<b>3 187 449</b>
1. Intangible assets	1,2	877 422	14 144
1.1 R&D expenses	5	876 334	0
1.2 other intangible assets		1 088	14 144
2. Tangible fixed assets	3,4	716 598	725 076
2.1. other tangible fixed assets		716 598	725 076
a) land (including right to perpetual usufruct)		0	0
b) buildings, premises, right to premises and civil engineering works		158 486	26 243
c) technical equipment and machines		147 659	114 572
d) vehicles		410 454	584 261
e) other fixed assets		0	0
2.2. advances for tangible fixed assets under construction		0	0
3. Long-term receivables	9	2 904	0
3.1. From other entities		2 904	0
4. Long-term investments		0	0
5. Long-term prepayments		3 780 512	2 448 230
5.1. Deferred tax assets	10,11	132 573	113 846
5.2. Other accruals	12	3 647 939	2 334 384
<b>II. Current assets</b>		<b>68 992 052</b>	<b>34 694 782</b>
1. Inventory	13	0	0
2. Short-term receivables	14	8 835 797	6 607 043
2.1. From related parties		0	0
2.2. From other entities in which the entity has an equity interest		0	0
2.3. From other entities		8 835 797	6 607 043
a) trade receivables	41	5 937 361	3 170 768
- up to 12 months		5 937 361	3 170 768
- over 12 months		0	0
b) receivables from tax, subsidy, customs, social security and other benefits		2 633 423	3 418 263
c) other		265 013	18 012
d) claimed at court		0	0
3. Short-term investments		59 940 310	27 977 404
3.1. Short-term financial assets		59 940 310	27 977 404
a) in related parties		0	0
b) in other entities	41,42	233 327	0
c) cash and cash equivalents	16	59 706 984	27 977 404
- cash at hand and at bank	41	6 706 984	27 977 404
- other cash	41	53 000 000	0
- other pecuniary assets:		0	0
3.2. Other short-term investments		0	0
4. Short-term prepayments	17	215 944	110 334
<b>III. Called up share capital not paid</b>		<b>0</b>	<b>0</b>
<b>IV. Own shares (stocks)</b>	18	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>		<b>74 369 489</b>	<b>37 882 231</b>

(in PLN)

LIABILITIES	Note	31.12.2021	31.12.2020
<b>I. Equity</b>		<b>71,048,361</b>	<b>35,481,063</b>
1. Share capital	19,20	679,436	679,436
2. Supplementary capital	21	3,501,831	3,501,831
3. Revaluation reserve		0	0
4. Other reserves	22	37,630,894	8,758,001
4.1 Created in accordance with the company's articles of association		25,135,731	2,726,960
4.2 Created in connection with share-based payments		12,495,162	6,031,041
5. Accumulated profit (loss) from previous years		133,023	133,023
6. Net profit (loss)		29,103,176	22,408,772
7. Write-offs on net profit during the financial year (negative value)	23	0	0
		,	,
<b>II. Liabilities and provisions for liabilities</b>		<b>3,321,128</b>	<b>2,401,167</b>
1. Provisions for liabilities		593,056	109,005
1.1. Deferred tax liability	26	89,056	109,005
1.2. Provision for retirement and similar benefits		0	0
a) long-term		0	0
b) short-term		0	0
1.3. Other provisions	25	504,000	0
a) long-term		0	0
b) short-term		504,000	0
2. Long-term liabilities	27	228,176	421,801
2.1. To related parties		0	0
2.2. To other entities in which the entity has an equity interest		0	0
2.3. To other entities		228,176	421,801
a) credits and loans		0	0
b) arising from issuance of debt securities		0	0
c) other financial liabilities		228,176	421,801
d) bill of exchange liabilities		0	0
e) other		0	0
3. Short-term liabilities	28	2,499,895	1,832,361
3.1. Liabilities to related parties		0	0
3.2. Liabilities to other entities in which the entity has an equity interest		0	0
3.3. Liabilities to other entities		2,499,895	1,832,361
a) credits and loans		0	0
b) arising from issuance of debt securities		0	0
c) other financial liabilities		155,671	110,783
d) trade liabilities	41	531,338	332,354
- up to 12 months		531,338	332,354
- over 12 months		0	0
e) received prepayments for deliveries and services		0	0
f) bill of exchange liabilities		0	0
g) tax, customs, insurance and other liabilities		66,406	44,088
h) payroll liabilities		1,746,480	1,343,299
i) other		0	1,838
3.4. Special funds		0	0
4. Prepayments and accruals	29	0	38,000
4.1. Negative goodwill		0	0
4.2. Other accruals		0	38,000
a) long-term		0	0
b) short-term		0	38,000
		,	,
<b>TOTAL LIABILITIES</b>		<b>74,369,489</b>	<b>37,882,231</b>
		<b>31.12.2021</b>	<b>31.12.2020</b>
Book value (in PLN)		71,048,361	35,481,063
Number of ordinary shares		679,436	679,436
Book value per share (in PLN)		104.57	52.22
Diluted number of ordinary shares		698,203	697,567
Diluted book value per share (in PLN)		101.76	50.86

**PROFIT AND LOSS ACCOUNT (COMPARATIVE VARIANT)**

(in PLN)

	Note	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
<b>I. Net revenues from sales and equivalent, including revenues:</b>	32	<b>46 128 029</b>	<b>37 670 842</b>
- from related parties		0	0
1. Net revenues from sales of products		46 128 029	37 670 842
2. Change in the balance of products (increase - positive value, decrease - negative value)		0	0
3. Production cost of products for internal purposes		0	0
4. Net revenues from sales of goods and materials		0	0
<b>II. Operating expenses</b>		<b>15 931 628</b>	<b>12 160 313</b>
1. Amortisation and depreciation		1 597 873	1 145 935
2. Consumption of materials and energy		246 909	116 725
3. External services		4 515 450	2 277 850
4. Taxes and charges, including:		24 617	6 297
- excise duty		0	0
5. Payroll		9 156 395	8 398 609
6. Social security and other benefits, including		44 357	25 057
- pension		22 443	0
7. Other costs by type		346 028	189 841
8. Value of goods and materials sold		0	0
<b>III. Profit (loss) on sales (I-II)</b>		<b>30 196 401</b>	<b>25 510 530</b>
IV. Other operating revenues	33	14 518	8
1. Gain on disposal of non-financial fixed assets		0	0
2. Subsidies		0	0
3. Revaluation of non-financial assets		0	0
4. Other operating revenues		14 518	8
V. Other operating expenses	34	17 791	4 716
1. Loss on disposal of non-financial fixed assets		0	0
2. Revaluation of non-financial assets		0	1 328
3. Other operating expenses		17 791	3 388
<b>VI. Profit (loss) on operating activities (III+IV-V)</b>		<b>30 193 129</b>	<b>25 505 821</b>
VII. Financial revenues	35	1 232 955	124 576
1. Dividends and profit-sharing		0	0
2. Interest, including:		33 360	739
- from related parties		0	0
3. Gain on disposal of financial assets	42	70 628	0
4. Revaluation of financial assets	41	233 327	0
5. Other		895 641	123 836
VIII. Financial expenses	36	36 862	1 159 284
1. Interest, including:		36 862	9 414
- for related parties		0	0
2. Loss on disposal of financial assets, including:		0	0
- in related parties		0	0
3. Revaluation of financial assets		0	0
4. Other		0	1 149 871
<b>IX. Gross profit (loss) (VI+VII-VIII)</b>		<b>31 389 221</b>	<b>24 471 113</b>
X. Income tax	37	2 286 045	2 062 341
1. Current tax		2 324 721	2 091 002
2. Deferred tax		-38 676	-28 661
XI. Other statutory reductions in profit (increases in loss)		0	0
<b>XII. Net profit (loss) (IX-X-XI)</b>		<b>29 103 176</b>	<b>22 408 772</b>
		<b>01.01.2021 - 31.12.2021</b>	<b>01.01.2020 - 31.12.2020</b>
Net profit (loss) (PLN)		29,103,176	22,408,772
Weighted average number of ordinary shares		679,436	679,436
Profit (loss) per share (PLN)		42.83	32.98
Diluted weighted average number of ordinary shares		698,006	686,688
Diluted net profit (loss) per share (PLN)		41.69	32.68



**STATEMENT OF CHANGES IN EQUITY***(in PLN)*

	Note	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
<b>I. Opening balance of equity</b>		<b>35,481,063</b>	<b>7,042,226</b>
a) changes to the adopted accounting principles (policy)		0	0
b) adjustment of errors		0	-975
<b>II. Opening balance of equity after adjustments</b>		<b>35,481,063</b>	<b>7,041,251</b>
<b>1. Opening balance of share capital</b>		<b>679,436</b>	<b>679,436</b>
1.1. Changes in the share capital		0	0
a) increase (due to)		0	0
b) decrease (due to)		0	0
1.2. Closing balance of share capital	19,20	679,436	679,436
<b>2. Opening balance of supplementary capital</b>		<b>3,501,831</b>	<b>3,790,074</b>
a) adjustments of errors		0	-288,243
2.1. Opening balance of supplementary capital after adjustments		3,501,831	3,501,831
2.2. Changes in supplementary capital		0	0
a) increase (due to)		0	0
- share issues above par		0	0
- profit distribution (statutory)		0	0
- profit distribution (over the statutorily required minimum value)		0	0
b) decrease (due to)		0	0
- loss coverage		0	0
2.3. Closing balance of supplementary capital	21	3,501,831	3,501,831
<b>3. Opening balance of revaluation reserve</b>		<b>0</b>	<b>0</b>
3.1. Changes in revaluation reserve		0	0
a) increase (due to)		0	0
b) decrease (due to)		0	0
3.2. Closing balance of revaluation reserve		0	0
<b>4. Opening balance of other reserves</b>		<b>8,758,001</b>	<b>0</b>
4.1. Changes in other reserves		28,872,893	8,758,001
a) increase (due to)		28,872,893	8,758,001
- profit distribution		22,408,772	2,726,960
- share-based payment		6,464,121	6,031,041
b) decrease (due to)		0	0
4.2. Closing balance of other reserves	22	37,630,894	8,758,001
<b>5. Opening balance of previous years' profit (loss)</b>		<b>22,541,795</b>	<b>2,572,716</b>
5.1. Opening balance of previous years' profit		22,615,546	2,572,716
a) changes to the adopted accounting principles (policy)		0	0
b) adjustment of errors		0	361,018
5.2. Opening balance of previous years' profit after adjustments		22,615,546	2,933,734
a) increase (due to)		0	0
= undistributed profit		0	0
b) decrease (due to)		22,408,772	2,726,960
- profit distribution from previous years		22,408,772	2,726,960
5.3. Closing balance of previous years' profit		206,774	206,774
5.4. Opening balance of previous years' loss		-73,751	0
a) changes to the adopted accounting principles (policy)		0	0
b) adjustment of errors		0	-73,751
5.5. Opening balance of previous years' loss after adjustments		-73,751	-73,751
a) increase (due to)		0	0
b) decrease (due to)		0	0
5.6. Closing balance of previous years' loss		-73,751	-73,751
5.7. Closing balance of previous years' profit (loss)		133,023	133,023
<b>6. Net result</b>		<b>29,103,176</b>	<b>22,408,772</b>
a) net profit		29,103,176	22,408,772
b) net loss		0	0
c) write-offs from profit		0	0
		,	,
<b>III. Closing balance of equity</b>		<b>71,048,361</b>	<b>35,481,063</b>
<b>IV. Equity including proposed profit distribution (loss coverage)</b>		<b>71,048,361</b>	<b>35,481,063</b>

**CASH FLOW STATEMENT***(in PLN)*

	Note	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
<b>A. Cash flows from operating activities</b>			
<b>I. Net profit/loss</b>		<b>29,103,176</b>	<b>22,408,772</b>
<b>II. Total adjustments</b>		<b>6,402,609</b>	<b>2,669,409</b>
1. Amortisation and depreciation		1,597,873	1,145,935
2. Exchange gains (losses)		13,585	-46,868
3. Interest and profit sharing (dividend)		-19,583	0
4. Profit (loss) on investment activities		-303,954	-123,836
5. Change in provisions		484,051	77,205
6. Change in inventory		0	0
7. Change in receivables		-2,231,659	-5,446,814
8. Change in short-term liabilities excluding credits and loans		,622,646	1,249,898
9. Change in prepayments and accruals		-224,473	-218,479
10. Other adjustments		6,464,121	6,032,369
<b>III. Net cash flows from operating activities (I+II)</b>		<b>35,505,785</b>	<b>25,078,181</b>
<b>B. Cash flows from investing activities</b>			
<b>I. Inflows</b>		<b>70,628</b>	<b>123,836</b>
1. From financial assets, including:		70,628	123,836
b) in other entities		70,628	123,836
- disposal of financial assets		70,628	123,836
<b>II. Outflows</b>		<b>3,670,737</b>	<b>3,297,754</b>
1. Purchase of intangible assets and tangible fixed assets		3,670,737	3,297,754
2. Other outflows from investment activities		0	0
<b>II. Net cash flows from investment activities (I-II)</b>		<b>-3,600,110</b>	<b>-3,173,918</b>
<b>C. Cash flows from financial activities</b>			
<b>I. Inflows</b>		<b>0</b>	<b>0</b>
<b>II. Outflows</b>		<b>162,510</b>	<b>148,212</b>
1. Payments of liabilities under the lease agreement		148,737	148,212
2. Interest		13,773	0
3. Other outflows from financial activities		0	0
<b>III. Net cash flows from financial activities (I-II)</b>		<b>-162,510</b>	<b>-148,212</b>
<b>D. Total net cash flows (A.III+B.III+C.III)</b>		<b>31,743,165</b>	<b>21,756,051</b>
<b>E. Balance sheet change in cash, including:</b>		<b>31,729,580</b>	<b>21,802,919</b>
- change in cash due to exchange rate differences		13,585,48	-46,868
<b>F. Cash opening balance</b>		<b>27,993,279</b>	<b>6,237,228</b>
<b>G. Cash closing balance (F+D), including:</b>	16	<b>59,736,444</b>	<b>27,993,279</b>
- of limited disposability		0	0

**INTRODUCTION TO THE FINANCIAL STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2021**

These financial statements (hereinafter referred to as "Financial Statements") have been prepared in accordance with the regulations:

- the Accounting Act of 29 September 1994 (consolidated text, Dz. U. 2021 item 217, as amended);
- Ordinance of the Minister of Finance of 05 October 2020 on the scope of information disclosed in financial statements and consolidated financial statements required in issue prospectuses for issuers based in the territory of the Republic of Poland and applying Polish accounting principles (consolidated text, Dz. U. 2020, item 2000), ("Ordinance on issuers' statements");
- Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Dz. U. of 2018, item 757) ("Ordinance on Current and Periodic Information");

In the period covered by these Financial Statements, there were no material differences in estimates.

Unless otherwise indicated, all amounts in the tables are presented in PLN and rounded to full zlotys.

**1. General Information**

<b>Company:</b>	<b>Creepy Jar S.A.</b>
<b>Registered office</b>	Warsaw
<b>Address:</b>	ul. Człuchowska 9, 01-360 Warsaw
<b>E-mail address:</b>	office@creepyjar.com
<b>Website:</b>	www.creepyjar.com
<b>Registry court</b>	District Court for the Capital City of Warsaw in Warsaw, XIV Commercial Division of the National Court Register
<b>KRS</b>	0000666293
<b>REGON</b>	366335731
<b>NIP</b>	1182136414
<b>Major objects of activity (PKD)</b>	62, 01, Z, SOFTWARE ACTIVITIES
<b>Sector acc. to WSE classification</b>	Gaming

Creepy Jar S.A. (hereinafter referred to as the "**Company**" or the "**Issuer**") was incorporated on 16 December 2016 by a notarial deed comprising the consent to the incorporation of the Company, the wording of the Articles of Association and a statement of consent to the subscription of the share capital in its entirety (notarial deed drawn up before notary Sylwia Jankiewicz in the Notary's Office in Kraków for Rep. A No. 4475/2016). The Company was registered with the National Court Register on 2 March 2017.

As of the date of this report, all shares of the Company are publicly traded on the regulated market (main market) of the Warsaw Stock Exchange S.A.

**2. The duration of the Issuer, if specified**

Not applicable.



### 3. Periods for which the financial statements and comparable data are presented

The financial statements are prepared for the period from 1 January 2021 to 31 December 2021. Comparable data are presented for the period from 1 January 2020 to 31 December 2020.

### 4. Information on the composition of the Management Board and the Supervisory Board of the Company

Composition of the Issuer's Management Board as at 31.12.2021:

Full name	Function
<b>Krzysztof Kwiatek</b>	President of the Board
<b>Krzysztof Sałek</b>	Member of the Board
<b>Tomasz Soból</b>	Member of the Board

There were no changes in the composition of the Issuer's Management Board in the reporting period.

Composition of the Issuer's Supervisory Board as at 31.12.2021:

Full name	Function
<b>Michał Paziewski</b>	Chairman of the Supervisory Board
<b>Mirosława Cienkowska</b>	Member of the Supervisory Board
<b>Artur Lebieźński</b>	Member of the Supervisory Board
<b>Tomasz Likowski</b>	Member of the Supervisory Board
<b>Piotr Piskorz</b>	Member of the Supervisory Board

Composition of the Audit Committee:

Full name	Function
<b>Mirosława Cienkowska</b>	Chairwoman of the Audit Committee
<b>Michał Paziewski</b>	Member of the Audit Committee
<b>Piotr Piskorz</b>	Member of the Audit Committee

There were no changes in the composition of the Issuer's Supervisory Board in the reporting period:

- On 13 January 2021 the Issuer in the current report no. 1/2021 provided information from a shareholder – Venture Closed-end Investment Fund, which, acting pursuant to § 17 (2) of the Company's Articles of Association, as of 13 January 2021 recalled Mr. Andrzej Knigawka from the position of the Member of the Supervisory Board and at the same time appointed Mrs. Mirosława Cienkowska in his place.
- In the current report no. 13/2021 the Issuer informed that the Ordinary General Meeting of the Company (hereinafter referred to as "OGM") on 24 June 2021 adopted a resolution no. 18 on removing Mr. Ryszard Brudkiewicz from the composition of the Company's Supervisory Board. At the same time, by resolution no. 19 the OGM appointed Mr. Artur Lebieźński to the Company's Supervisory Board.

From the end of the reporting period to the date of publication of these statements there were no changes in the composition of the Management Board and of the Supervisory Board of the Company.

### 5. Indication whether the financial statements and comparable data include aggregate data

Not applicable.

### 6. Indication whether the issuer is a holding company, a partner in a jointly controlled company or a significant investor and whether they prepare consolidated financial statements

The Issues is not a holding company, a partner in a jointly controlled company or a significant investor and does not prepare consolidated financial statements.

#### **7. Information on merger of companies**

Not applicable.

#### **8. Indication whether the financial statements have been prepared on the assumption that the issuer will continue as a going concern in the foreseeable future and whether there are any circumstances indicating a threat to the continuation of operations**

The financial statements have been prepared on the assumption that the Company will continue as a going concern.

No circumstances were identified in the foreseeable future, including a period of not less than one year from the balance sheet date, which indicate a threat to the continuation of operations.

#### **9. Data comparability**

The financial statements have not been restated to ensure data comparability.

#### **10. Indication whether the presented financial statements or comparable data were adjusted as a result of the auditor's reservations included in the reports from the audit of financial statements for the years for which the financial statements or comparable data were included in the prospectus**

Not applicable.

#### **11. Description of the adopted accounting principles (policy)**

##### **Methods of valuation of assets and liabilities and determination of the financial result**

For the purpose of preparing these Financial Statements, methods of valuation of assets and liabilities were applied and the principles for determination of the financial result were in accordance with the Accounting Policy binding in the Company.

The accounting principles applied by the Company are adjusted to the provisions of the Accounting Act of September 29, 1994 (consolidated text: Journal of Laws of 2021, item 217), as amended.

##### Principles of recording fixed tangible and intangible assets

Fixed assets and intangible assets are valued at purchase prices or production costs less depreciation or amortisation and impairment losses. The purchase price or production cost of a fixed asset is increased by the cost of its improvement.

The purchase price and production cost of fixed assets, tangible assets under construction and intangible assets include all their costs incurred by the Company for the period of construction, assembly, adaptation and improvement until the date of their adoption for use, including the cost of servicing liabilities incurred to finance them and the related exchange differences less the related revenue.

Depreciation of tangible and intangible assets is made starting from the month following the month in which they were accepted for use.

The straight-line method of depreciation is used for tangible and intangible assets, except for R&D works.

##### **Typical annual depreciation rates are as follows:**

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Buildings and structures	1,5-4,5%
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IT equipment	20-30%
Technical equipment and machines	10-20%
Vehicles	20%
Furniture, tools, instruments, movable property, equipment	20%
Licences, R&D expenses	10-50%
Other intangible assets	20%

In case of tangible and intangible assets acquired as used as well as those showing accelerated wear and tear and in untypical cases, depreciation rates may be set outside the ranges indicated above.

For tangible and intangible assets for which depreciation rates specified in the Corporate Income Tax Act (tax rates) do not differ materially from the depreciation rates resulting from the economic useful lives, tax rates are applied.

Tangible assets and intangible assets with an expected useful life of more than one year and an initial value equal to or less than PLN 10,000.00 are entered in the balance sheet records of fixed assets and depreciated once in the month in which they are accepted for use.

The correctness of the applied depreciation periods and rates of tangible and intangible assets is periodically verified by the Company.

#### Development costs

The R&D expenses related to the production of games carried out by the Company, incurred prior to the production or application of technology are classified as intangible assets, if all of the following conditions are met:

- the product or production technology are precisely specified and the related development costs are reliably determined,
- the technical usefulness of the product or technology has been established and properly documented and on this basis the Company has made a decision to manufacture these products or to apply the technology,
- the development costs are expected to be covered by revenues from the sale of these products or application of technology.

The development costs are subject to straight-line amortisation over the economic useful life of the development results or in case of projects for which it is possible to determine the reliable estimates of the volume or value of sales, the Company amortises the value of these projects using the natural method, in relation to the planned volume of sales. If in exceptional cases it is not possible to reliably estimate the economic useful life of the results of R&D works, the period of write-downs may not exceed 5 years.

Amortisation of R&D works is made starting from the month following the month in which they were accepted for use.

The principles specified above for making impairment losses apply to the R&D expenses.

The R&D expenses in the period until their completion are recognised as long-term prepayments.

#### Leasing

The Company applies the principles of qualification of rental, tenancy, lease and other similar agreements provided for in Article 3 (4) and (5) of the Accounting Act. If the Company is a party to rental, tenancy, lease or other similar agreements under which it has accepted third-party tangible or intangible assets for use, under

which substantially all the risks and benefits resulting from the ownership of assets being the subject matter of the agreement are transferred, the subject matter of the agreement is recognised under assets in the balance sheet. The subject matter of the agreement is initially recognised at the lower of two values: the fair value or the present values of the minimum lease payments. Lease liabilities are valued at adjusted purchase price.

#### Investments

Investments include assets held for the purpose of obtaining economic benefits from appreciation in value of these assets, revenues resulting therefrom in the form of interest, dividends (shares in profit) or other benefits, including from business transactions, and in particular financial assets and those real estate and tangible and intangible assets that are not used by the Company, but are held in order to obtain economic benefits.

#### Receivables and liabilities not classified as investments or financial liabilities

Receivables are recognised at the amount required to be paid, while applying the prudent valuation principle. Receivables are revalued taking into account the degree of probability of their payment, by means of a revaluation write-down included respectively in other operating costs or financial costs – depending on the type of receivables to which the revaluation write-down relates. Revaluation write-downs are created for individual receivables. It is allowed to create revaluation write-downs for groups of receivables respectively to their overdue status, if receivables to which this approach is applied are not individually significant.

Liabilities are valued at the amount due.

Receivables and liabilities are classified as:

- short-term receivables or liabilities in relation to all trade receivables and liabilities and all or part of other receivables and liabilities that are due within 12 months of the balance sheet date,
- long-term receivables and liabilities – in relation to receivables other than short-term receivables.

Receivables and liabilities expressed in foreign currency as at the balance sheet date are valued using the average exchange rate announced by the National Bank of Poland at that date.

#### Prepayments and accruals

The Company makes prepayments in relation to costs incurred with regard to future reporting periods. Write-offs of prepayments are made according to the lapse of time or the amount of benefits, in accordance with the prudent valuation principle.

Game development costs incurred prior to the sale or application of new solutions are recognised as development expenditures in progress and presented as long-term accruals. When the work is completed and expenditures related to the implementation of a given project are recognised, the expenditures are transferred from the item of accruals to the item of R&D expenses, presented in the balance sheet as intangible assets.

Accruals are made at the amount of probable liabilities falling due in the current reporting period, resulting in particular from services provided to the Company by contractors, when the amount of liability can be reliably estimated.

Accruals and deferred income are made in accordance with the prudence principle and include in particular the equivalent of funds received from or payable to contractors for services to be performed in subsequent reporting periods.

#### Provisions

Provisions are liabilities whose maturity date or amount is uncertain.

The Company creates provisions if it has a legal or constructive obligation resulting from past events and if it is probable that the settlement of this obligation will result in the use of the Company's already existing or future assets. Provisions are created if their amounts are material and reliable estimates can be made.

Provisions are created at the amount representing the best estimate of expenditures required to settle the present obligation as at the balance sheet date.

Provisions are not created for future operating losses.

#### Equity

Share capital is recognised at the amount specified in the Company's articles of association and entered in the court register.

Supplementary capital is recognised at the amount of the share premium as well as profit distribution and other amounts, if the Company's articles of association and relevant resolutions of its bodies so provide.

Other elements of equity are recognised in accordance with the provisions of the Commercial Companies Code, the Accounting Act, the Company's articles of association, resolutions of the Company's bodies and when so provided in this accounting policy (principles), including in connection with the share-based payments made by the Company. The manner of recognising components of equity in connection with share-based payments are described below.

#### Revenues and expenses

Revenues and expenses are recognised on an accrual basis, i.e. in the financial year to which they relate, irrespective of when the payment is received or made and in accordance with the principle of matching revenues and expenses and the prudence principle.

#### Operating revenues and expenses

Operating revenues and expenses include revenues and expenses related to the reporting period other than revenues and expenses from financial operations and revenues and expenses from income tax and other compulsory charges on the financial result.

Revenues from sales of products are recognised in the profit and loss account, if all of the following conditions are met:

- the amount of revenues can be measured reliably,
- there is a sufficiently high probability that the Company obtains economic benefits from the transaction,
- the significant risk and benefits resulting from ownership of assets subject to sales have been transferred to the buyer and the Company is no longer permanently involved in the management of the assets transferred nor does it exercise effective control over them.

Revenues from sales include the disposal of products manufactured by the Company to which it has exclusive licensing rights from their manufacture or has acquired licences to publish or distribute them.

The Company licenses its software (intellectual property) to game distributors. The licence granted for a set period of time give the distributors access to the intellectual property in the form in which it exists during the licence period. The basis for revenue recognition constitute royalties from the sales of game distribution licences. These revenues depend on the amount of sales made by the distributor to the end user in a given reporting period. Revenue from sales of a given product is recognised in the period of sale based on sales reports to end users received by the Companies from game distributors.



Revenues include amounts received or due to products supplied to purchasers, less commissions or similar amounts for participation in sale charged by distributors in accordance with relevant agreements as well as trade discounts, if any, and value added tax (VAT). The amount of revenues is measured at the value of payment received or due. Other operating revenues and expenses include revenues and expenses related indirectly to the Company's operating activities.

#### Revenues and expenses of financial operations

Revenues and expenses of financial operations include in particular:

- profits and losses on the disposal and valuation of financial instruments other than receivables and liabilities resulting from operating activities,
- interest received and due as well as similar fees and commissions, if they do not increase the initial value of assets,
- dividends received and due,
- exchange differences, if they are not charged to the initial value of assets.

Interest income and expenses are recognised using the effective interest rate. It is allowed to calculate interest on a simplified basis, if the difference between the amount of interest so determined and the amount resulting from the use of effective interest rate is immaterial.

#### Income tax

Current income tax is recognised in accordance with applicable tax laws. In connection with temporary differences between the book value of assets and liabilities and their tax value and tax loss deductible in the future the Company creates a provision and established deferred tax assets.

Deferred tax assets are established in the amount expected to be deducted from income tax in the future due to negative temporary differences that will reduce the income tax base and deductible tax loss in the future, in accordance with the prudence principle.

Deferred tax liability is established for the amount of income tax payable in the future in connection with positive temporary differences, i.e. differences that will increase the income tax base in the future.

The amount of deferred tax liabilities and assets is established taking into account the income tax rates applicable in the year when the tax obligation arose.

Deferred tax liabilities and assets may be presented in the balance sheet after offsetting, if the Company has a title authorising it to take them into account simultaneously when calculating the amount of tax liability.

#### Transactions in foreign currencies

Economic transactions expressed in foreign currencies are recognised in the accounting books as at the day of their performance at:

- the actually applied exchange rate on that day, resulting from the nature of operation – in case of selling or buying currencies and payment of receivables or liabilities,
- the average exchange rate announced by the National Bank of Poland on the day preceding that day – in case of paying receivables or liabilities, if it is not reasonable to apply the exchange rate referred to above as well as in case of other operations.

As at the balance sheet date assets and liabilities expressed in foreign currencies are valued at the average exchange rate announced for a given currency by the National Bank of Poland for that day.

Exchange differences resulting from the valuation as at the balance sheet date of assets and liabilities expressed in foreign currencies, except for long-term investments, and resulting from the payment of receivables and liabilities in foreign currencies, as well as from the sale of currencies, are included respectively in financial revenues or expenditures, and in justified cases – in the production cost of products or purchase price of goods, as well as in the purchase price or production cost of fixed assets, fixed assets under construction or intangible assets.

#### Profit and loss account

The Company prepares a profit and loss account in a comparative version.

#### Cash flow statement

The Company prepares a cash flow statement using indirect method.

#### Statement of changes in equity

The Company prepares a statement of changes in equity.

#### Financial instruments

Shares and stocks in subordinated entities classified as fixed assets are valued at purchase price less impairment losses.

Financial instruments other than shares and stocks in subordinated entities, rights and obligations under lease and insurance agreements, as well as financial instruments issued by the Company, constituting its equity instruments, are recognised and valued in accordance with the Regulation of the Minister of Finance of 12 December 2001 on detailed principles of recognition, valuation methods, scope of disclosure and manner of presentation of financial instruments (as amended).

Financial assets are classified in one of the following categories:

- financial assets held for trading,
- loans granted and own receivables,
- financial assets held to maturity,
- financial assets available for sale.

Financial liabilities are classified in one of the following categories:

- financial liabilities held for trading,
- other financial liabilities.

Financial assets are classified as current assets, if they are payable and due or intended for disposal within 12 months of the balance sheet date or from the date of their establishment, issue or acquisition or if they are cash equivalents. In other cases financial assets are included in fixed assets.

Financial liabilities are classified as short-term liabilities, if they are due within 12 months of the balance sheet date. In other cases financial liabilities are included in long-term liabilities.

Financial assets are entered in the accounting books on the date of concluding an agreement at the purchase price, i.e. at the fair value of the expenses incurred or other assets transferred in exchange, whereas financial liabilities at the fair value of the amount received or the value of other assets received. When determining the fair value at that date the transaction costs incurred by the Company are taken into account; transaction costs can be ignored when determining the fair value, if they are immaterial.

Transaction of buying and selling financial instruments made in regulated trading are entered in the accounting books on the date of their settlement.

#### Hedge accounting

The Company does not apply hedge accounting.

#### Share-based payments

In case of share-based payments (also settled in other equity instruments) granted to employees, associates and members of the Company's Management Board, the fair value of the instruments is determined at the grant date. To determine the fair value of the instruments granted, an option pricing model is applied which takes into account, among other things, the Company's share price as at the vesting date, the volatility of the share price, the risk-free interest rate, the exercise price of the option and the period in which the option may be exercised.

The fair value of equity-settled share-based payments determined at the grant date is charged to compensation expense on a straight-line basis over the vesting period, taking into account the terms and conditions of the instruments granted based on the Company's respective estimates, with a corresponding increase to reserves. At each balance sheet date, the Company revises its estimates of the number of equity instruments expected to be granted. The impact, if any, of the revision of the original estimates is recognised in the profit and loss account over the remaining period of the grant, with a corresponding adjustment to the share-based payment reserve. Stock options or other rights outstanding under share-based payment arrangements are not financial instruments.

### **12. Information on changes in Accounting Policy in the current financial year and their effect on the financial result and equity**

By virtue of the Management Board's resolution of 18 June 2021, an adjustment and consolidated text of the Accounting Policy of 7 April 2021 were introduced, including more precise clarification regarding the manner of presentation of deferred income tax assets and liabilities. The said changes did not affect the financial result or the capital of the Company.

### **13. Indication of average PLN exchange rates in the periods covered by the financial statements and comparable data**

In the period covered by the financial statements and in the comparative period average PLN exchange rates in relation to EUR, determined by the National Bank of Poland were as follows:

Financial period	Average exchange rate in the period*	Minimum exchange rate in the period*	Maximum exchange rate in the period*	Exchange rate as at the last date of the period
01.01.-31.12.2020	4.4742	4.3010	4.6188	4.6148
01.01.-31.12.2021	4.5775	4.4805	4.6834	4.5994

\*valid on the last day of each month in a given period

## 14. Differences between Polish and international accounting standards

Indication and explanation of differences in the value of the disclosed data concerning at least equity (net assets) and net financial result as well as material differences on the adopted accounting principles (policy), between the financial statements and comparable data prepared in accordance with Polish accounting principles and the financial statements and comparable data which would have been prepared in accordance with IAS (IFRS).

### Differences affecting the financial result

#### IFRS 9

The Company's business model provides for the receipt of fees from players by means of platforms. The settlement system between the Company and the platforms is based on automatic payment procedures, carried out on a monthly basis. In practice, therefore, the risk of credit losses due to non-receipt of payments by the Company is negligible, which is confirmed by the data on overdue receivables held by the Company. As a result, no significant impact of the potential difference resulting from IFRS 9 was identified on the Company's financial result in the analysed periods.

IFRS 9 introduces a nomenclature for particular categories of financial instruments other than used under Polish accounting principles. Derivative financial assets recognised by the Company as at 31.12.2021 as other short-term financial assets would, under IFRS 9, be recognised as financial assets at fair value through the financial result.

Table No 1. Impact of the IFRS 9 application on the presentation of future contracts in the Company's balance sheet

PAS	IAS
<b>Current assets</b>	<b>Current assets</b>
Other short-term financial assets	Financial assets at fair value through the financial result

Table No 2. Classes of financial instruments and their fair value

(PLN)	31.12.2021	31.12.2020
<b>Financial assets at fair value through the financial result</b>	<b>233,327</b>	<b>0</b>
Carrying amount	233,327	0
Fair value	233,327	0
Level 1	0	0
Level 2	233,327	0
Level 3	0	0

#### IFRS 16 and IAS 12

##### a. office lease

Since March 2019 the Company has been using office premises together with parking spaces. The agreement is recognised for the purpose of Polish accounting principles as an operating lease, whereas the rent is charged to third-party service costs. The application of IFRS 16 would mean that the Company would recognise an asset at the time of concluding the agreement for the right to use the subject matter of the lease and a financial liability. The performance of the agreement would result in monthly recognition of amortisation expenses for the right to use the subject matter of the lease and interest and no third-party service costs would be recognised.

The application of IFRS 16 described above would then result in temporary differences resulting in **a positive impact on the financial result through deferred income tax**.

In addition, IAS 12 requires offsetting of deferred tax assets and liabilities, which makes a difference to the manner of presentation of these items by the Company.

Table No 3. Impact of the IFRS 16 and IAS 12 application on the Company's balance sheet

(PLN)	31.12.2021	31.12.2020
<b>ASSETS</b>		
Fixed assets	306,563	69,279
Right-of-use assets	384,472	173,517
Deferred tax assets	-77,909	-104,237
<b>LIABILITIES</b>		
Equity	-47,522	-20,325
Financial result of the current period	-27,197	-6,272
Financial result from previous years	-20,325	-14,053
Long-term liabilities	142,498	-67,150
Lease liabilities	231,554	41,855
Deferred tax liability	-89,056	-109,005
Short-term liabilities	211,587	156,754
Lease liabilities	211,587	156,754

Table No 4. Impact of the IFRS 16 and IAS 12 application on the Company's profit and loss account

(PLN)	2021	2020
Operating expenses	11,005	-21,671
Amortisation and depreciation	192,236	148,729
External services	-181,231	-170,400
Financial expenses	47,664	29,415
Interest	47,664	29,415
Financial revenues	25,092	0
Other	25,092	0
Income tax	6,380	1,471
Deferred income tax	6,380	1,471
Financial result	-27,197	-6,272

### IAS 33

As a result of the change in the financial result due to the IAS application described above, the calculation of profit per share, diluted profit per share, book value per share and diluted book value per share of the Company is also subject to change.

Table No 5. Impact of the IAS application on the calculation of profit per share

(PLN)	31.12.2021	31.12.2020
Weighted average number of shares	679,436	679,436
Weighted average diluted number of shares	698,006	685,688
Number of ordinary shares at the end of the period	679,436	679,436
Diluted number of ordinary shares at the end of the period	698,203	697,567
Net profit according to PAS	29,103,176	22,408,772
Effect of IAS application	-27,197	-6,272
Net profit after IAS application	29,075,979	22,402,500
Equity according to PAS	71,048,361	35,481,063
Effect of IAS application	-47,522	-20,325
Equity after IAS application	71,000,839	35,460,739
Profit per share according to PAS	42.83	32.98
Profit per share after IAS application	42.79	32.97
Diluted profit per share according to PAS	41.69	32.68
Diluted profit per share after IAS application	41.66	32.67
Book value per share according to PAS	104.57	52.22
Book value per share after IAS application	104.50	52.19
Diluted book value per share according to PAS	101.76	50.86
Diluted book value per share after IAS application	101.69	50.83

### Differences affecting the financial result

The Company has not identified areas of potential differences affecting the equity other than through the financial result. As a result the impact of the differences described above on the Company's equity, including the financial result and the financial result of previous years, is as follows:

Table No 6. Impact of the IAS application on the Company's equity

(PLN)	31.12.2021	31.12.2020
Impact on the financial result	-27,197	-6,272
Impact on the financial result of previous years	-20,325	-14,053
Impact on the equity as at the date ending the reporting period	-47,522	-20,325

### Major differences concerning the adopted accounting principles (policy)

The Company has identified the following areas of differences concerning the adopted accounting principles (policy).

#### IAS 38

Expenditures on unfinished R&D works are presented by the Company as a component of long-term prepayments, whereas under the Standard these expenditures would be presented as a component of intangible assets.

Table No 7. Impact of the IAS 38 application on the Company's balance sheet

(PLN)	31.12.2021	31.12.2020
ASSETS	0	0
Fixed assets	0	0
Intangible assets	3,536,505	2,318,442
Long-term prepayments	-3,536,505	-2,318,442

The above change has no impact on the Company's financial result and equity.

## ADDITIONAL INFORMATION AND EXPLANATIONS

### Note No. 1: Intangible assets

Intangible assets	31.12.2021	31.12.2020
a) R&D expenses	876,334	0
b) goodwill	0	0
c) acquired concessions, patents, licences and similar assets, including:	0	0
- computer software	0	0
d) other intangible assets	1,088	14,144
e) advances for intangible assets	0	0
<b>Total</b>	<b>877,422</b>	<b>14,144</b>

Intangible assets (ownership structure)	31.12.2021	31.12.2020
a) owned	877,422	14,144
b) used under a rental agreement, tenancy agreement or another agreement, including lease agreement		0
<b>Total</b>	<b>877,422</b>	<b>14,144</b>

**Note No. 2: Changes in intangible assets**

Specification	R&D expenses	Goodwill	Other intangible assets	Advances for intangible assets	Total
<b>Gross value</b>					
<b>01.01.2021</b>	<b>6,120,324</b>	<b>0</b>	<b>436,205</b>	<b>0</b>	<b>6,556,529</b>
Increases	2,133,109	0	34,364	0	2,167,473
- purchase	0	0	34,364	0	34,364
- R&D expenses	2,133,109	0	0	0	2,133,109
Decreases	0	0	0	0	0
<b>31.12.2021</b>	<b>8,253,434</b>	<b>0</b>	<b>470,569</b>	<b>0</b>	<b>8,724,002</b>
Depreciation					
<b>01.01.2021</b>	<b>6,120,324</b>	<b>0</b>	<b>422,061</b>	<b>0</b>	<b>6,542,386</b>
Increases	1,256,775	0	47,420	0	1,304,195
- amortisation and depreciation	1,256,775	0	47,420	0	1,304,195
Decreases	0	0	0	0	0
<b>31.12.2021</b>	<b>7,377,099</b>	<b>0</b>	<b>469,481</b>	<b>0</b>	<b>7,846,580</b>
Write-offs					
Net value					
<b>01.01.2021</b>	<b>0</b>	<b>0</b>	<b>14,144</b>	<b>0</b>	<b>14,144</b>
<b>31.12.2021</b>	<b>876,334</b>	<b>0</b>	<b>1,088</b>	<b>0</b>	<b>877,422</b>

Specification	R&D expenses	Goodwill	Other intangible assets	Advances for intangible assets	Total
<b>Gross value</b>					
<b>01.01.2020</b>	<b>5,208,499</b>	<b>0</b>	<b>400,000</b>	<b>0</b>	<b>5,608,499</b>
Increases	911,825	0	36,205	0	948,030
Decreases	0	0	0	0	0
<b>31.12.2020</b>	<b>6,120,324</b>	<b>0</b>	<b>436,205</b>	<b>0</b>	<b>6,556,529</b>
Depreciation					
<b>01.01.2020</b>	<b>5,208,499</b>	<b>0</b>	<b>400,000</b>	<b>0</b>	<b>5,608,499</b>
Increases	911,825	0	22,061	0	933,886
Decreases	0	0	0	0	0
<b>31.12.2020</b>	<b>6,120,324</b>	<b>0</b>	<b>422,061</b>	<b>0</b>	<b>6,542,386</b>
Write-offs					
<b>01.01.2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>31.12.2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net value					
<b>01.01.2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>31.12.2020</b>	<b>0</b>	<b>0</b>	<b>14,144</b>	<b>0</b>	<b>14,144</b>

Amortisation related to R&D expenses is presented under amortisation expenses in the comparative version of the profit and loss account. The costs of completed development works are amortized using the straight-line method over the useful economic life of the results of development works or in the case of projects for which it is possible to determine reliable estimates of the quantity or value of sales, the Company amortizes the value of these projects using the natural method, in relation to the planned sales volume. If, in exceptional cases, it is not possible to reliably estimate the useful life of the results of completed development works, the period of making write-offs may not exceed 5 years.

**Note No. 3: Tangible fixed assets**

Tangible fixed assets	31.12.2021	31.12.2020
Fixed assets, including:	716,598	725,076
- land (including right to perpetual usufruct)	0	0
- buildings, premises, right to premises and civil engineering works	158,486	26,243
- technical equipment and machines	147,659	114,572
- vehicles	410,454	584,261
- other fixed assets	0	0



fixed assets under construction	0	0
advances for fixed assets under construction	0	0
<b>Total</b>	<b>716,598</b>	<b>725,076</b>

<b>Balance sheet fixed assets (ownership structure)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
a) owned	306,144	140,815
b) used under a rental agreement, tenancy agreement or another agreement, including lease agreement	410,454	584,261
<b>Total</b>	<b>716,598</b>	<b>725,076</b>

**Note No. 4: Change in fixed assets**

Specification	Advances for fixed assets under construction	Buildings, premises, right to premises and civil engineering works	Technical equipment and machines	Vehicles	Other fixed assets	Total
<b>Gross value</b>						
<b>01.01.2021</b>	0	59,489	296,718	680,795	13,398	1,050,401
Increases, including:	0	149,862	135,339	0	0	285,201
- purchase	0	149,862	135,339	0	0	285,201
Decreases, including:	0	0	0	0	0	0
<b>31.12.2021</b>	0	209,351	432,057	680,795	13,398	1,335,602
Depreciation	0					
<b>01.01.2021</b>	0	33,246	182,146	96,534	13,398	325,325
Increases, including:		17,619	102,252	173,807	0	293,678
- amortisation and depreciation	0	17,619	102,252	173,807	0	293,678
Decreases	0	0	0	0	0	0
<b>31.12.2021</b>	0	50,866	284,398	270,342	13,398	619,003
Net value	0	,	,	,	,	0
<b>01.01.2021</b>	0	26,243	114,572	584,261	0	725,076
<b>31.12.2021</b>	0	158,486	147,659	410,454	0	716,598

Specification	Advances for fixed assets under construction	Buildings, premises, right to premises and civil engineering works	Technical equipment and machines	Vehicles	Other fixed assets	Total
<b>Gross value</b>						
<b>01.01.2020</b>	0	64,467	107,486	0	3,979	175,932
Increases, including:	0	0	189,232	680,795	9,419	879,447
- from fixed assets under construction	0	0	0	0	0	0
- purchase	0	0	189,232	680,795	9,419	879,447
Decreases, including:	0	4,978	0	0	0	4,978
- transfer to buildings and premises	0	4,978	0	0	0	4,978
<b>31.12.2020</b>	0	59,489	296,718	680,795	13,398	1,050,401
Depreciation						
<b>01.01.2020</b>	0	13,471	99,477	0	3,979	116,927
Increases, including:	0	23,426	82,669	96,534	9,419	212,048
- amortisation and depreciation	0	23,426	82,669	96,534	9,419	212,048
Decreases, including:	0	3,650	0	0	0	3,650
- liquidation	0	3,650	0	0	0	3,650
<b>31.12.2020</b>	0	33,246	182,146	96,534	13,398	325,325



Net value						
01.01.2020	0	50,997	8,009	0	0	59,005
31.12.2020	0	26,243	114,572	584,261	0	725,076

**Note No. 5: Amount of R&D expenses and amount of goodwill as well as explanations of the period of their write-offs, specified in Article 33 (3) and Article 44b (10) respectively**

	Gross value	Depreciation	Write-off	Net value
R&D expenses as at 31.12.2021	8,253,434	7,377,099	0	876,334
R&D expenses as at 31.12.2020	6,120,324	6,120,324	0	0

The R&D expenses are subject to straight-line amortisation over the economic useful life of the development results or in case of projects for which it is possible to determine the reliable estimates of the volume or value of sales, the Company amortises the value of these projects using the natural method, in relation to the planned volume of sales. If in exceptional cases it is not possible to reliably estimate the economic useful life of the results of R&D works, the period of write-downs may not exceed 5 years.

**Note No. 6: Values of land with perpetual usufruct**

The Company is not a perpetual usufructuary of land.

**Note No. 7: Value of tangible assets not depreciated or amortised by the entity, used under rental, lease or other agreements**

In 2021 the Company leased office premises constituting its registered office together with parking spaces. The usable area of the premises was 381.69 m<sup>2</sup>. The rental fee in 2021 amounted to PLN 181,231.30 net.

**Note No. 8: Number and value of securities or rights held, including share certificates, convertible debt securities, warrants and options, with an indication of rights they confer**

The Company does not hold any securities.

**Note No. 9: Long-term receivables**

Long-term receivables:	31.12.2021	31.12.2020
From related parties	0	0
From other entities in which the entity has an equity interest	0	0
From other entities, including:	2,904	0
a) from other entities	2,904	0
- from deposits	2,904	0
<b>Total net long-term receivables</b>	<b>2,904</b>	<b>0</b>
Revaluation write-offs on receivables	0	0
<b>Total gross long-term receivables</b>	<b>2,904</b>	<b>0</b>

As at 31.12.2021 all long-term receivables were denominated in PLN.

Changes in long-term receivables	31.12.2021	31.12.2020
a) beginning of the period	0	0
b) increases	2 904	0
- security deposits	2 904	0
c) decreases	0	0
d) end of period	2 904	0

**Note No. 10: Deferred tax assets**

Specification	31.12.2021	31.12.2020
- unpaid social security contributions, employee capital plans	582	0
- balance sheet valuation	2,694	0
- financial statements audit expenses	3,397	2,493
- leases	16,047	23,224
- asset for bonuses for the management board	109,854	88,129
<b>Total</b>	<b>132,573</b>	<b>113,846</b>

The periods in which the temporary differences are expected to expire are presented below:

- unpaid social security contributions, employee capital plans	1 year
- balance sheet valuation	1 year
- financial statements audit expenses	1 year
- leases	1 to 3 years
- asset for bonuses for the management board	1 year

**Note No. 11: Changes in deferred tax assets**

	As at 31.12.2021			As at 31.12.2020		
	Amount of temporary differences	Tax rate	Amount of asset	Amount of temporary differences	Tax rate	Amount of asset
<b>Opening balance (related to financial result)</b>	<b>1,735,443</b>		<b>113,846</b>	<b>42,000</b>		<b>7,980</b>
<b>Decrease</b>	<b>1,735,443</b>		<b>113,846</b>	<b>42,000</b>		<b>7,980</b>
- asset for statements audit	38,000	6.56%	2,493	42,000	19%	7,980
- asset for tax losses to be settled	1,343,425	6.56%	88,129	0		0
- asset for costs of vehicles	354,018	6.56%	23,224	0		0
<b>Increase</b>	<b>2,107,679</b>		<b>132,573</b>	<b>1,735,443</b>		<b>113,846</b>
-asset for unpaid social security contributions, employee capital plans	9,246	6.29%	582	0		0
- asset for balance sheet valuation	42,827	6.29%	2,694	0		0
- asset for statements audit	54,000	6.29%	3,397	38,000	6.56%	2,493
- asset for costs of vehicles	255,126	6.29%	16,047	354,018	6.56%	23,224
- asset for bonuses for the management board	1,746,480	6.29%	109,854	1,343,425	6.56%	88,129
<b>Closing balance (related to financial result)</b>	<b>2,107,679</b>		<b>132,573</b>	<b>1,735,443</b>		<b>113,846</b>

**Note No. 12: Long-term prepayments**

Specification	31.12.2021	31.12.2020
GAP insurance	4,367	10,406
Volvo guarantees	2,296	5,536
Other costs	4,771	0
Costs related to the Chimera game	2,887,076	1,045,141
Costs related to PVE mode for the Green Hell game	0	919,866
Costs related to the Green Hell console game	749,429	353,436
<b>Total</b>	<b>3,647,939</b>	<b>2,334,384</b>



**Note No. 13: Inventory**

Not present.

**Note No. 14: Short-term receivables**

<b>Short-term receivables:</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
From related parties	0	0
From other entities in which the entity has an equity interest	0	0
From other entities, including:	8,835,797	6,607,043
a) trade receivables with a repayment term:	5,937,361	3,170,768
- up to 12 months	5,937,361	3,170,768
- over 12 months	0	0
b) receivables from tax, subsidy, customs, social security and other benefits	2,633,423	3,418,263
c) other (from other entities)	265,013	18,012
d) claimed at court	0	0
<b>Total net short-term receivables</b>	<b>8,835,797</b>	<b>6,607,043</b>
Revaluation write-offs on receivables	0	0
<b>Total gross short-term receivables</b>	<b>8,835,797</b>	<b>6,607,043</b>

**Gross short-term receivables (currency structure)**

<b>Short-term receivables:</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
From related parties	0	0
From other entities in which the entity has an equity interest	0	0
From other entities, including:	8,835,797	6,607,043
a) trade receivables, including:	5,937,362	3,170,768
- from other entities:	5,937,362	3,170,768
- up to 12 months PLN	302,027	2,567,855
- up to 12 months USD	4,793,296	602,001
- up to 12 months EUR	842,039	912
b) receivables from tax, subsidy, customs, social security and other benefits PLN	2,633,423	3,418,263
c) other PLN	265,013	18,012
d) claimed at court	0	0
<b>Total net short-term receivables</b>	<b>8,835,797</b>	<b>6,607,043</b>
Revaluation write-offs on receivables	0	0
<b>Total gross short-term receivables</b>	<b>0</b>	<b>0</b>

**Trade receivables (gross)**

<b>Trade receivables (gross) – with remaining repayment period from the balance sheet date:</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
a) up to 1 month	1,331,655	3,170,768
b) from 1 month to 3 months	4,605,258	0
c) from 3 month to 6 months	0	0
d) from 6 month to 1 year	0	0
e) over 1 year	0	0
f) overdue receivables	448	0
<b>Total trade receivables (gross)</b>	<b>5,937,361</b>	<b>3,170,768</b>
g) revaluation write-offs on trade receivables	0	0
<b>Total trade receivables (net)</b>	<b>5,937,361</b>	<b>3,170,768</b>

<b>Analysis of the maturity of trade receivables</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Overdue receivables, including:	448	0
a) up to 1 month	381	0
b) from 1 month to 3 months	68	0
c) from 3 month to 12 months	0	0

e) over 1 year	0	0
Current receivables	5,936,913	3,170,768
<b>Total gross receivables</b>	<b>5,937,361</b>	<b>3,170,768</b>
Write-offs	0	0
<b>Total net receivables</b>	<b>5,937,361</b>	<b>3,170,768</b>

The time interval for repayment of receivables related to the Issuer's normal course of sales is 1 to 3 months. There were no disputed receivables in the reporting period.

#### Note No. 15: Short-term financial assets

The Company did not have shares in related or other entities in the reporting period. The Company also did not hold any other securities, nor did it grant any loans. . The amount of PLN 53,000,000, shown as at the balance sheet date, December 31, 2021, in the item "Other cash", relates to structured deposits concluded by the Company with Santander Bank Polska S.A. The Company concluded 12 FORWARD transactions, of which one transaction was settled before the balance sheet date . The result on the settlement of this transaction is presented in Note 35.

#### Note No. 16: Cash and other pecuniary assets as well as cash structure for the purposes of the cash flow statement

<b>Cash and other pecuniary assets</b>		<b>31.12.2021</b>	<b>31.12.2020</b>
	Cash at hand and at bank:	27,977,404	6,174,486
1	Cash at hand and at bank	6,706,984	27,977,404
	Cash at hand PLN	51	51
	Bank account (PLN)	4,708,775	16,717,791
	Bank account (EUR)	436,318	1,344,987
	- in EUR currency	94,864	291,451
	Bank account (USD)	1,561,839	9,914,575
	- in USD currency	384,690	2,637,973
2	Other cash:	53,000,000	0
3	Other pecuniary assets:	0	0
4	Cash and other pecuniary assets	59,706,984	27,977,404
5	Short-term financial assets classified as cash for the purposes of the cash flow statement	0	0
6	Exchange differences from cash valuation as at the balance sheet date	29,460	15,875
7	Total cash for the purposes of the cash flow statement	59,736,444	27,993,279

The amount of PLN 53,000,000, disclosed as at the balance sheet date of December 31, 2021 under "Other cash", relates to structured deposits concluded by the Company with Santander Bank Polska S.A.

As at 31.12.2021 the Company did not have any cash on the VAT account referred to in Article 62a (1) of the Act of 29 August 1997 – Banking Law (Dz. U. 2020, item 1896).

#### Note No. 17: Short-term prepayments

<b>Short-term prepayments</b>		<b>31.12.2021</b>	<b>31.12.2020</b>
	Other	1,620	8,808
	Licence	145,282	0
	Insurance	26,926	20,141
	3Ds Max single-user subscription	8,761	2,565
	Unity Pro	0	78,821
	Interest on deposits	33,356	0
	<b>Total</b>	<b>215,944</b>	<b>110,334</b>

**Note No. 18: Own shares and stocks**

The Company does not hold any own shares and stocks. In the reporting period the Company did not purchase, sell or cancel its own shares and stocks.

**Note No. 19: Data on the share capital structure as at 31.12.2021**

No.	Series/issue Type of shares	Type of preference	Number of shares	Value of series/issue at nominal value in PLN  (Nominal value in PLN)	Method of capital coverage	Registration date	Right to dividend from
1	Ordinary shares series A	X	500,000	500,000.00 (1.00)	cash/share	02.03.2017	01.01.2017
2	Ordinary shares series B	X	147,082	147,082.00 (1.00)	cash	18.04.2017	01.01.2017
3	Ordinary shares series C	X	32,354	32,354.00 (1.00)	cash	30.01.2018	01.01.2017
<b>Total</b>		<b>X</b>	<b>679,436</b>	<b>679,436.00</b>	<b>x</b>	<b>x</b>	<b>x</b>

In order to implement the incentive scheme for key team members the Company plans until 30 June 2023, as part of the Management Board's authorisation to increase the share capital within the limits of the authorised capital, to issue up to 37,000 shares (pursuant to § 8 (8) of the Issuer's Articles of Association).

Basic assumptions of the incentive scheme were adopted by way of Resolution No. 17 of the Ordinary General Meeting of 23 July 2020, which came into force upon adoption.

**Note No. 20: Capital ownership structure and percentage of shares held**

a) As at 31.12.2020

Shareholder	Number of shares	% in share capital	Number of votes	% of votes
VENTURE FIZ	98,049	14.43%	98,049	14.43%
Krzysztof Kwiatek	73,879	10.87%	73,879	10.87%
Krzysztof Sałek	73,878	10.87%	73,878	10.87%
Tomasz Soból	73,752	10.85%	73,752	10.85%
Aviva Investors Poland TFI S.A.	36,259	5.34%	36,259	5.34%
Shareholders with < 5% of votes at the General Meeting of Shareholders	323,983	47.68%	323,983	47.68%
<b>Total</b>	<b>679,436</b>	<b>100.00%</b>	<b>679,436</b>	<b>100.00%</b>

The listing of shareholders with at least 5% of the share capital and votes at the General Meeting has been prepared on the basis of the notifications received from the Issuer's shareholders in fulfilment of their obligations under the provisions of the Public Offering Act and the MAR Regulation.

The data concerning the number of shares held by Venture FIZ has been presented on the basis of the number of shares registered at the Extraordinary General Meeting of Shareholders of the Company held on 23 July 2020.

The data concerning the number of shares held by Mr. Marek Soból has been presented on the basis of the number of shares registered at the Extraordinary General Meeting of Shareholders of the Company held on 14 May 2020.

## b) as at 31.12.2020

Shareholder	Number of shares	% in share capital	Number of votes	% of votes
VENTURE FIZ	87,361	12.86%	87,361	12.86%
Krzysztof Kwiatek	73,879	10.87%	73,879	10.87%
Krzysztof Sałek	73,878	10.87%	73,878	10.87%
Tomasz Soból	73,752	10.85%	73,752	10.85%
Marek Soból	51,650	7.60%	51,650	7.60%
Aviva Investors Poland TFI S.A.	46,583	6.86%	46,583	6.86%
Shareholders with < 5% of votes at the General Meeting of Shareholders	272,333	40.08%	272,333	40.08%
<b>Total</b>	<b>679,436</b>	<b>100.00%</b>	<b>679,436</b>	<b>100.00%</b>

The listing of shareholders with at least 5% of the share capital and votes at the General Meeting has been prepared on the basis of the notifications received so far from the Issuer's shareholders in fulfilment of their obligations under the provisions of the Public Offering Act and the MAR Regulation.

On 14 January 2022 the Issuer received from its shareholder - Mr. Marek Soból - a notification of the reduction of his share in the share capital and in the total number of votes in the Company below the threshold of 5%, about which the Issuer informed in the current report no. 3/2022.

## c) as at the date of approval of these Financial Statements

Shareholder	Number of shares	% in share capital	Number of votes	% of votes
VENTURE FIZ	87,361	12.86%	87,361	12.86%
Krzysztof Kwiatek	73,879	10.87%	73,879	10.87%
Krzysztof Sałek	73,878	10.87%	73,878	10.87%
Tomasz Soból	73,752	10.85%	73,752	10.85%
Aviva Investors Poland TFI S.A.	46,583	6.86%	46,583	6.86%
Shareholders with < 5% of votes at the General Meeting of Shareholders	323,983	47.68%	323,983	47.68%
<b>Total</b>	<b>679,436</b>	<b>100.00 %</b>	<b>679,436</b>	<b>100.00%</b>

The listing of shareholders with at least 5% of the share capital and votes at the General Meeting has been prepared on the basis of the notifications received so far from the Issuer's shareholders in fulfilment of their obligations under the provisions of the Public Offering Act and the MAR Regulation.

**Note No. 21: Supplementary capital**

Supplementary capital	31.12.2021	31.12.2020
- from the sale of shares above par	4,135,725	4,135,725
loss coverage from previous years established by law	-633,894	-633,894
established in accordance with the articles of association/agreement, over the statutory (minimum) amount	0	0
from contributions by shareholders	0	0
<b>Total</b>	<b>3,501,831</b>	<b>3,501,831</b>

**Note No. 22: Reserve capital**

Specification	31.12.2021	31.12.2020
Profit from previous years	25,135,731	2,726,960
From share-based payment	12,495,162	6,031,041
<b>Total</b>	<b>37,630,894</b>	<b>8,758,001</b>

**Note No. 23: Write-offs on net profit during the financial year**

Not present.

**Note No. 24: Distribution of the net profit for the financial year 2021**

In the financial year ended December 31, 2021, the Company generated PLN 29,103,176.22 of net profit. As at the date of these financial statements, the decisions of the Company's governing bodies regarding the distribution of the profit for 2021 have not yet been taken.

The Company's net profit for the financial year ended December 31, 2020 in the amount of PLN 22,408,771.61 was allocated by the decision of the General Meeting of Shareholders to the Company's reserve capital with the option of payment to shareholders in the future.

**Note No. 25: Change in other provisions**

Provisions	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Opening balance	0	0
Release of provisions	0	0
Use of provisions	0	0
Creation of provisions	2,250,480	0
Closing balance, including:	2,250,480	0
- long-term, including:	0	0
- provisions for employee benefits	0	0
- other provisions	0	0
-short-term, including:	2,250,480	0
- provisions for employee benefits	0	0
- other provisions	2,250,480	0

**Note No. 26: Changes in deferred tax provisions**

	As at 31.12.2021			As at 31.12.2020		
	Amount of temporary differences	Tax rate	Amount of provision	Amount of temporary differences	Tax rate	Amount of provision
<b>Opening balance (related to financial result)</b>	<b>1,661,660</b>	6,56%	<b>109,005</b>	<b>167,369</b>	19%	<b>31,800</b>
<b>Increase</b>	<b>1,143,038</b>		<b>71,897</b>	<b>1,661,660</b>		<b>109,005</b>
undepreciated value of vehicles	0		0	388,359	6.56%	25,476
provision for expenditures not recognised in the financial result – Green Hell R&D works	876,334	6.29%	55,121	1,273,301	6.56%	83,529
provision for balance sheet valuation	17	6.29%	1	0		0
provision for interest income	33,360	6.29%	2,098	0		0
provision for derivative instrument valuation	233,327	6.29%	14,676	0		0

<b>Decreases</b>	<b>1,388,859</b>		<b>91,846</b>	<b>167,369</b>		<b>31,800</b>
release of costs recognised in the result of the period	0		0	160,890	19%	30,569
release of provision for expenditures	1,273,301	6.56%	83,529	6,479	19%	1,231
release of provision for undepreciated value of vehicles	115,558	6.56%	7,581	0		0
effect of tax rate change			737	0		0
<b>Closing balance at the end of the year (related to financial result)</b>	<b>1,415,839</b>	<b>6,29%</b>	<b>89,056</b>	<b>1,661,660</b>	<b>6.56%</b>	<b>109,005</b>

The deferred tax provision consists of

Specification	31.12.2021	31.12.2020
undepreciated value of vehicles	17,159	25,476
provision for expenditures not recognised in the financial result – Green Hell R&D works	55,121	83,529
provision for balance sheet valuation	1	0
provision for interest income	2,098	0
provision for derivative instrument valuation	14,676	0
<b>Grand total</b>	<b>89,056</b>	<b>109,005</b>

The periods in which the temporary differences are expected to expire are presented below:

undepreciated value of vehicles	1 do 3 lat
provision for expenditures not recognised in the financial result – Green Hell R&D works	1 do 3 lat
provision for balance sheet valuation	1 rok
provision for interest income	1 rok
provision for derivative instrument valuation	1 rok

#### Note No. 27: Long-term liabilities

Long-term liabilities	31.12.2021	31.12.2020
to related parties	0	0
to other entities in which the entity has an equity interest	0	0
to other entities, including:	228,176	421,801
- to other entities:	228,176	421,801
- lease liabilities	228,176	421,801
<b>Total long-term liabilities</b>	<b>228,176</b>	<b>421,801</b>

Long-term liabilities with remaining repayment period from the balance sheet date	31.12.2021	31.12.2020
a) from 1 to 3 years	228,176	354,776
b) from 3 to 5 years	0	67,025
c) over 5 years	0	0
<b>Total long-term liabilities</b>	<b>228,176</b>	<b>421,801</b>

The Note presents the long-term portion of the outstanding principal under lease agreements and non-deductible VAT.

As at 31.12.2021 all long-term liabilities were denominated in PLN.

#### Note No. 28: Short-term liabilities to other entities

Specification	31.12.2021	31.12.2020
Credits and loans	0	0
Arising from issuance of debt securities	0	0
Other financial liabilities	155,671	110,783
Trade liabilities:	531,338	332,354





- up to 12 months	531,338	332,354
Received prepayments for deliveries	0	0
Bill of exchange liabilities	0	0
Tax, customs, social insurance liabilities	66,406	44,088
- settlements with the Tax Office, Social Insurance Institution	66,406	44,088
Payroll liabilities	1,746,480	1,343,299
- settlements with owners	0	0
Other	0	1,838
<b>Total</b>	<b>2,499,895</b>	<b>1,832,361</b>

As at 31.12.2021 all short-term liabilities were denominated in PLN.

### Note No. 29: Accruals

Specification		31.12.2021	31.12.2020
1.	Long-term	0	0
2.	Short-term	0	38,000
a)	Other (audit of financial statements)	0	38,000
<b>Total</b>		<b>0</b>	<b>38,000</b>

### Note No. 30: Method of calculating book value per share and diluted book value per share

Book value per share for each period is calculated by dividing the equity value at the end of a given period by the weighted average number of shares in the reporting period.

Diluted book value per share is calculated by adjusting the number of ordinary shares by taking into account dilutive instruments, such as rights allocated under the Incentive Scheme. For 2021, 18,767 such share entitlements were taken into account.

### Note No. 31: Contingent receivables and liabilities

The Company has no contingent receivables or liabilities.

### Note No. 32: Material and territorial structure of revenues from sales of products

Material structure	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Net revenues from sales of products:	46,128,029	37,670,842
- from related parties	0	0
- from other entities in which the entity has an equity interest	0	0
- from other entities	46,128,029	37,670,842
<b>Total</b>	<b>46,128,029</b>	<b>37,670,842</b>

Territorial structure	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Net revenues from sales of products:	46,128,029	37,670,842
- Country	4,428,109	2,086,206
- from related parties	0	0
- from other entities in which the entity has an equity interest	0	0
- from other entities	4,428,109	2,086,206
- Export	41,699,919	35,584,636
- from related parties	0	0
- from other entities in which the entity has an equity interest	0	0
- from other entities	41,699,919	35,584,636
<b>Total</b>	<b>46,128,029</b>	<b>37,670,842</b>

**Note No. 33: Other operating revenues**

Specification		01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
I.	Gain on disposal of non-financial fixed assets	0	0
II.	Subsidies	0	0
III.	Revaluation of non-financial assets	0	0
IV.	Other operating revenues	14,518	8
	- roundings	9	3
	- re-invoices	13,955	0
	- other	555	5
<b>Total</b>		<b>14,518</b>	<b>8</b>

**Note No. 34: Other operating expenses**

Specification		01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
I.	Loss on disposal of non-financial fixed assets	0	0
II.	Revaluation of non-financial assets	0	1,328
III.	Other operating expenses	17,791	3,388
	- roundings	6	3
	- subsidies	15,000	0
	- re-invoices	455	0
	- other	2,330	3,385
<b>Total</b>		<b>17,791</b>	<b>4,716</b>

**Note No. 35: Financial revenues**

Specification		01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
I.	Dividends and profit-sharing	0	0
II.	Interest	33,360	739
	- from other parties, including:	33,360	739
	- from other entities	33,360	739
III.	Gain on disposal of financial assets:	70,628	0
IV.	Revaluation of financial assets:	233,327	0
V.	Other	895,641	123,836
	- exchange differences	895,641	0
	- realised	932,619	0
	- unrealised	-36,978	0
	- other revenues	0	123,836
<b>Total</b>		<b>1,232,955</b>	<b>124,576</b>

The amount of PLN 70,628 presented in the item profit on disposal of financial assets is the result of the settlement of the FORWARD transaction, and the amount of PLN 233,327 in the item revaluation of financial assets is the result of the valuation of open FORWARD transactions as at the balance sheet date.

**Note No. 36: Financial expenses**

Specification		01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
I.	Interest	36,862	9,414
	- other interest	36,862	9,414
	- to other entities	36,862	9,414
II.	Loss on disposal of financial assets	0	0
III.	Revaluation of investments	0	0
IV.	Other	0	1,149,871
	- exchange differences	0	1,149,871

- realised		1,422,372
- unrealised		-272,502
- other costs	0	0
<b>Total</b>	<b>36,862</b>	<b>1,159 284</b>

Specification	2021	2020
<b>Accrued and unrealized interest related to:</b>		
Financial liabilities held for trading	0	0
Other short-term financial liabilities	13,048	19,320
- up to 3 months	3,843	5,374
- over 3 and up to 12 months	9,205	13,946
- over 12 months	0	0
Other long-term financial liabilities	7,276	20,324
- up to 3 months	2,239	3,843
- over 3 and up to 12 months	4,239	9,205
- over 12 months	798	7,276
Total accrued and unrealized interest	20,324	39,644
Accrued and realized interest	13,773	6,434

### Note No. 37: Settlement of the difference between the income tax base and the gross financial result (profit/loss)

Specification	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
<b>A Gross profit (loss) for the year</b>	<b>31,389,221</b>	<b>24,471,113</b>
<b>B Tax-exempt revenues (permanent differences between the profit / loss for accounting purposes and the income / loss for tax purposes)</b>	<b>0</b>	<b>276,232</b>
<b>C Non-taxable income for the current year</b>	<b>991,988</b>	<b>0</b>
<b>D Taxable income for the current year, recognised in accounting books for the previous years</b>	<b>0</b>	<b>0</b>
<b>E Non-deductible expenses (permanent differences between the profit / loss for accounting purposes and the income / loss for tax purposes)</b>	<b>6,644,401</b>	<b>6,501,339</b>
Costs of the incentive scheme	6,464,121	6,031,041
Other	180,279	470,298
<b>F Non-deductible expenses for the current year</b>	<b>5,828,109</b>	<b>3,350,465</b>
Expenditures on games (accounting depreciation)	1,256,775	911,825
Bonuses for the members of the management board to be paid in the following year	1,746,480	1,343,425
Costs allocated to Chimera project for IP BOX	1,917,554	1,057,215
Other	907,300	38,000
<b>G Deductible expenses for the current year</b>	<b>4,061,787</b>	<b>2,155,217</b>
Expenditures on games (tax amortisation)	2,331,659	2,024,236
Bonuses for the members of the management board paid in the current year	1,343,425	0
Tax costs of lease instalments	102,207	88,981
Retained earnings	246,496	0
Auditor's remuneration	38,000	42,000
<b>H Losses from previous years</b>	<b>0</b>	<b>0</b>
<b>I Other changes in tax base</b>	<b>15,000</b>	<b>0</b>
<b>J Income tax base</b>	<b>38,792,956</b>	<b>31,891,468</b>
Tax base at the basic rate	2,750,530	3,545,923
Income tax rate	19%	19%
Tax base at the preferential rate (IP BOX)	36,042,426	28,345,545
Income tax rate	5%	5%
<b>K Income tax</b>	<b>2,324,721</b>	<b>2,091,002</b>
Tax at source	-1,412 253	-908,743
Tax to be paid	912,468	1,182 259

Current income tax	31.12.2021	31.12.2020
- recognised in profit and loss account	2,324,721	2,091,002
- concerning items that have decreased or increased equity	0	0
- concerning items that have decreased or increased goodwill or negative goodwill	0	0

<b>Deferred income tax, recognised in profit and loss account</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
- decrease (increase) due to origination and reversal of temporary differences	-38,676	-28,661

<b>Total amount of deferred tax</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
- recognised in equity	0	0
- recognised in goodwill or negative goodwill	0	0

<b>Income tax, recognised in profit and loss account concerning</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
- discontinued operations	0	0
- result on extraordinary activities	0	0

### Note No. 38: Method of calculating profit (loss) per share and diluted profit (loss) per share

Net profit per share for each period is calculated by dividing the net profit for a given period by the weighted average number of shares in the reporting period.

Diluted profit per share is calculated by adjusting the weighted average number of ordinary shares by taking into account dilutive instruments, such as rights allocated under the Incentive Scheme. For 2021, 18,767 such share entitlements were taken into account.

### Note No. 39: Explanations to the cash flow statement

<b>Specification</b>	<b>01.01.2021 - 31.12.2021</b>	<b>01.01.2020 - 31.12.2020</b>
<b>1. Amortisation and depreciation</b>	<b>1 597 873</b>	<b>1,145,935</b>
amortisation of intangible assets	1 304 195	933,886
depreciation of fixed assets	293 678	212,048
<b>2. Exchange gains (losses)</b>	<b>13 585</b>	<b>-46,868</b>
<b>3. Interest and profit sharing (dividend) consist of:</b>	<b>-19 583</b>	<b>0</b>
Accrued interest	-33 356	0
Interests paid on lease agreements	13 773	0
<b>4. Change in provisions results from the following items:</b>	<b>484 051</b>	<b>77,205</b>
Deferred tax provision	-19 949	77,205
Other provisions	504 000	0
<b>5. Change in inventory results from the following items:</b>	<b>0</b>	<b>0</b>
Finished products	0	0
Advances for services	0	0
<b>6. Change in receivables results from the following items:</b>	<b>2 231 659</b>	<b>-5,446,814</b>
Change in short-term receivables resulting from the balance sheet	2 904	-5,446,814
Change in long-term prepayments	2 228 754	0
<b>7. Change in short-term liabilities, excluding credits and loans, results from the following items:</b>	<b>622 646</b>	<b>1,249,898</b>
change in short-term liabilities resulting from the balance sheet	622 646	1,249,898
<b>8. Change in prepayments and accruals results from the following items:</b>	<b>-224 473</b>	<b>-218,479</b>
change in long-term prepayments and accruals	-95 492	-15,942
Deferred tax asset	-18 727	-105,866
change in short-term prepayments and accruals	-72 254	-92,671
Change in accruals	-38 000	-4,000
<b>9. Capital expenditure:</b>	<b>3 670 737</b>	<b>3,297,754</b>
Acquisition of property, plant and equipment	285 201	198,651
Intangible assets, including development costs	3 385 536	3,099,103
Other outflows from investment activities	0	0

The change in prepayments and accruals recognised in the cash flow statement does not include capitalised R&D expenses related to game production which are presented as capital expenditures on intangible assets.

#### Note No. 40: Inconsistencies between the balance sheet changes in certain items and changes in these items recognised in the cash flow statement and their reasons

The cash flow statement presents the item "other adjustments" which does not result from the change in balance sheet values. This is the amount of PLN 6,464,121.00, which represents the value of non-cash expenses related to share-based payments under the Incentive Scheme.

#### Note No. 41: Information on financial instruments

Categories	Carrying amount		Fair value		Method of valuation at the balance sheet date	Revaluation effects charged to financial result	Revaluation effects charged to equity
	31.12.2021	31.12.2020	31.12.2021	31.12.2020			
<b>Financial assets for trading, including:</b>	<b>233,327</b>	<b>0,</b>	<b>233,327</b>	<b>0</b>	-	0	0
- derivatives	233,327	0,	233,327	0,	Fair value	0	0
- shares in entities listed on an active market	0	0	0	0	-	0	0
- shares in other entities	0	0	0	0	-	0	0
<b>Financial assets available for sale, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-	0	0
- shares in entities listed on an active market	0	0	0	0	-	0	0
- shares in entities not listed on an active market	0	0	0	0	-	0	0
- shares in subsidiaries	0	0	0	0	-	0	0
<b>Financial assets held to maturity, including:</b>	<b>53,000,000</b>	<b>0</b>	<b>53,000,000</b>	<b>0,</b>	-	0	0
- bonds held	0	0	0	0	-	0	0
- other cash	53,000,000	0	53,000,000	0	adjusted purchase price		
- other short-term financial assets	0	0	0	0	-	0	0
<b>Loans granted and own receivables, including:</b>	<b>5,937,361</b>	<b>3,170,768</b>	<b>5,937,361</b>	<b>3,170,768</b>	-	0	0
- loans granted	0	0	0	0	-	0	0
- trade receivables	5,937,361	3,170,768	5,937,361	3,170,768	adjusted purchase price	0	0
<b>Cash</b>	<b>6,706,984</b>	<b>27,977,404</b>	<b>6,706,984</b>	<b>27,977,404</b>	adjusted purchase price	0	0
<b>Financial liabilities held for trading</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-	0	0
<b>Other financial liabilities, including:</b>	<b>531,338</b>	<b>332,354</b>	<b>531,338</b>	<b>332,354</b>	adjusted purchase price	0	0
- from credits and loans	0	0	0	0	-	0	0
- from bonds	0	0	0	0	-	0	0

**Note No. 42: Characteristics of the entity's financial instruments****a) types of financial instruments**

Types and values of financial instruments were presented in Note No. 41 above. Receivables, cash and other financial liabilities are valued at adjusted purchase price. In case of receivables, liabilities and cash items with maturity up to 12 months the discount effect is assumed to be immaterial and they are valued at the amount of payment due in accordance with the prudence principle.

**b) methods and significant assumptions adopted to determine the fair value of financial assets and liabilities measured at fair value**

The value of financial assets measured at fair value includes the market valuation of FORWARD transactions concluded by the Company. The Company recognizes the value of these instruments in the books on the basis of a valuation prepared by the bank with which these transactions are concluded. The conclusion of the a/m transaction involved currency risk. In case of significant strengthening of USD against PLN the Company could be exposed to related losses.

**c) recognition of the effect of revaluation of financial assets classified as available for sale**

not applicable

**d) value of financial instruments recognised in the balance sheet measured at fair value and recognition of the effects of their revaluation**

In connection with FORWARD transactions, as at 31.12.2021 the Company generated a profit of PLN 70,627.50 and a revaluation profit of PLN 233,326.50.

**e) revaluation reserve concerning financial instruments**

not applicable

**f) principle of introducing financial instruments acquired on a regulated market into accounting books**

not applicable

**g) interest rate risk exposure**

not applicable

**h) credit risk exposure**

In terms of trade receivables credit risk related to sales with deferred payment term and high concentration of contractors (the three largest distributors generated nearly 90% of sales revenues in 2021). In terms of cash, the Company is exposed to credit risk of financial institutions in which these funds are deposited. The company invests funds only in reputable banks with a good rating.

**Note No. 43: Information on remuneration, including profit-sharing remuneration, paid or due to members of the management, supervisory and administrative bodies of commercial companies (for each group separately) for the financial year and any liabilities resulting from pensions and benefits of a similar nature for former members of these bodies and liabilities incurred in relation to these pensions, with an indication of the total amount for each category of body**

Specification	Management bodies	Administrative bodies	Supervisory bodies	Total
<b>01.01.2021– 31.12.2021</b>				
1 remuneration for the functions performed	1,978,211	0	212,543	2,190,754
2 profit-sharing	0	0	0	0
3 pensions and benefits of a similar nature for former members of the bodies	0	0	0	0
4 liabilities incurred for the payment of pensions	0	0	0	0

5	remuneration for services related to the production of games	612,000	0	0	612,000
<b>Total</b>		<b>2,590 211</b>	<b>0</b>	<b>212,543</b>	<b>2,802 754</b>

Specification	Management bodies	Administrative bodies	Supervisory bodies	Total	
<b>01.01.2020– 31.12.2020</b>					
1	Remuneration for the functions performed	907,440	0	60,739	968,179
2	profit-sharing	0	0	0	0
3	pensions and benefits of a similar nature for former members of the bodies	0	0	0	0
4	liabilities incurred for the payment of pensions	0	0	0	0
5	remuneration for services related to the production of games	840,000	0	0	840,000
<b>Total</b>		<b>1,747,440</b>	<b>0</b>	<b>60,739</b>	<b>1,808 179</b>

The amount of remuneration for performing the function includes the remuneration for appointment paid to members of the Management Board in 2021 in the amount of PLN 612,000 and bonuses for 2020 in the amount of PLN 1,343,425.

The remuneration of the Management Board members shown above does not include the bonus amounts for 2021 in the total amount of PLN 1,746,480, calculated on the basis of the net profit achieved by the Company in this period, which will be paid after the approval of the financial statements by the Shareholders' Meeting. As at December 31, 2021, the liabilities in this respect were recognized in the balance sheet under the payables item. Pursuant to the resolution of the Supervisory Board of the Company of March 25, 2022, this amount will be divided equally among all members of the Management Board.

During the reporting period an entity related to one of the members of the Supervisory Board, i.e. Mr. Ryszard Brudkiewicz, who served as a Member of the Supervisory Board until 24 June 2021, provided the Company with legal services. The remuneration (net) due to Kancelaria Radców Prawnych Brudkiewicz, Suhecka S.K.A. amounted to PLN 163,115.00 and covers the period from 1 January 2021 to 30 June 2021.

#### Note No. 44: Loans and other benefits for members of management, administrative and supervisory bodies of a commercial company

In 2021 the Company covered the costs of medical insurance for each Member of the Management Board and their closest relatives in the amount of PLN 7,599.60.

#### Note No. 45: For items of the financial statements, expressed in foreign currencies – exchange rates adopted for their valuation

No.	Reporting item	Currency type	Exchange rate value	Table no.	Date
1	Trade receivables	USD	4.0600	254/A/NBP/2021	31.12.2021
2	Trade receivables	EUR	4.5994	254/A/NBP/2021	31.12.2021

No.	Reporting item	Currency type	Exchange rate value	Table no.	Date
1	Trade receivables	USD	3 7584	255/A/NBP/2020	31.12.2020
2	Trade receivables	EUR	4.6148	255/A/NBP/2020	31.12.2020

**Note No. 46: Share-based payments****Incentive Scheme for 2020-2023.**

On 23 July 2020 the General Meeting of Shareholders of the Company adopted the Incentive Scheme Regulations ("Scheme"). The term of the Scheme was set for 2020, 2021 and 2022. In accordance with its assumptions the Scheme will be implemented as part of the Management Board's authorisation resulting from § 8 (8) of the Articles of Association to increase the Company's share capital within the limits of authorised capital. Under the Scheme entitled persons may be granted up to 37,000 new shares in the increased share capital of the Company. The General Meeting, when adopting the Scheme regulations, indicated the general objectives of the Company applicable during the term of the incentive scheme to its participants who will conclude participation agreements in 2020. These are as follows:

- an employee or associate of the Company remains in a legal relationship under specific agreements (e.g. service agreement, employment agreement) at least from the date of the conclusion of the Participation Agreement to 31 December 2022 ("Tranche 1"),
- the Company achieved an average annual Gross Profit in the years 2020-2022 in the amount of PLN 20,000,000.00 (twenty million) ("Tranche 2"), as a condition for full allocation of Tranche 2.

On the basis of the Company's general objectives, on 25 August 2020 the Supervisory Board set out specific objectives which are the basis for concluding agreements with entitled persons containing individualised participation terms in the Scheme.

The achievement of the Company's assumed specific objectives will be finally verified by the Supervisory Board in relation to employees and associates of the Company as well as members of the Company's Management Board, not later than by 31 May 2023. The basis for granting the right to acquire Shares to a given Participant will be a resolution of the Company's Supervisory Board.

The Shares will be allocated in two tranches:

- Tranche 1 – intended exclusively for employees and associates of the Company (excluding members of the Company's Management Board) – 18,500 shares acquired at an issue price of PLN 1.00;
- Tranche 2 – intended for employees, associates and members of the Company's Management Board – 18,500 shares acquired at an issue price calculated as the average price of closing prices for the Company's Shares on the NewConnect market in the period from 1 March 2019 to 28 February 2020, i.e. at PLN 186.20.

The Supervisory Board will adopt a resolution on allocation of a certain number of shares to entitled persons determined by the Supervisory Board by 10 June 2023. After the adoption of the a/m resolution the rights under the Scheme may be exercised upon each request of their holder not later than by 30 June 2023.

As of 31 December 2021 in accordance with the Scheme's parameters, including the provisions of the resolutions of the Company's Supervisory Board regarding the list of Scheme participants, the estimated number of shares to be acquired under the Scheme is as follows:

Specification	Estimated number of shares to be acquired
Tranche 1	3.767
Tranche 2	15.000
<b>Total</b>	<b>18.767</b>

**Recognition of the Scheme as of 31 December 2021**

The fair value of the instruments is determined as at the date of their grant. To determine the fair value of the instruments granted, an option pricing model is applied which takes into account, among other things, the Company's share price as at the vesting date, the volatility of the share price, the exercise price of the option and the period in which the option may be exercised.





The fair value of equity-settled share-based payments determined at the grant date is charged to expense on a straight-line basis over the vesting period, taking into account the terms and conditions of the instruments granted based on the Company's respective estimates, with a corresponding increase to capital.

At each balance sheet date, the Company revises its estimates of the number of equity instruments expected to be granted. The impact, if any, of the revision of the original estimates is recognised in the profit and loss account over the remaining period of the Scheme term, with a corresponding adjustment to the share-based payment reserve. The key parameters used in determining the fair value of the instruments granted under the Scheme and the estimated costs recognised in the income statement at the balance sheet date are presented below:

No.	Specification	Amount	
1.	<b>Grant dates</b>	25 August 2020	
		19 November 2020	
		19 April 2021	
		22 July 2021	
		3 December 2021	
2.	<b>Vesting date</b>	30 June 2023	
3.	<b>Closing price of the company's shares on the grant date (PLN):</b>		
		• 25 August 2020	1,150
		• 19 November 2020	984
		• 19 April 2021	940
		• 22 July 2021	810
		• 3 December 2021	810
4.	<b>Issue price of shares under the Scheme (PLN):</b>		
		• Tranche 1	1.00
		• Tranche 2	186.20
5.	<b>Annual volatility of share price:</b>		
		• 25 August 2020	84.68%
		• 19 November 2020	83.03%
		• 19 April 2021	76.09%
		• 22 July 2021	79.00%
		• 3 December 2021	54.84%
6.	<b>Risk-free rate:</b>		
		• 25 August 2020	0.46%
		• 19 November 2020	0.36%
		• 19 April 2021	0.59%
		• 22 July 2021	0.58%
		• 3 December 2021	3.97%
7.	<b>Number of shares under the Scheme</b>	37,000	
8.	<b>Number of rights granted and not exercised as of 31 December 2021</b>	18,767	
9.	Averaged fair value of rights granted under the Scheme (PLN):		
		• Tranche 1	1,092.22
		• Tranche 2	992.22
10.	<b>Total cost of the Scheme (PLN) recognised in accounting books as at:</b>		
		• 31 December 2020	6,031,041.04
		• 31 December 2021	12,495,162.27

#### Note No. 47: Other relevant information

On 17 March 2021 the Company received a decision of the Financial Supervisory Authority on the approval of the Company's prospectus prepared in connection with the application for admission and introduction to trading on the regulated market (main market) operated by the Warsaw Stock Exchange S.A. of all shares of the Company, i.e. 500,000 ordinary bearer shares series A, 147,082 ordinary bearer shares series B and 32,354 ordinary bearer shares series C, in total number of 679,436 shares of the Company.

Subsequently, on 11 April 2021 the Management Board of the Warsaw Stock Exchange S.A. adopted Resolutions no. 369/2021 and 370/2021 on the admission and introduction as of 8 April 2021 to exchange trading on the regulated market (main market) operated by the Warsaw Stock Exchange S.A. of all shares of the Company, i.e. 500,000 ordinary bearer shares series A, 147,082 ordinary bearer shares series B and 32,354 ordinary bearer shares series C, in total number of 679,436 shares of the Company. At the same time the WSE Management Board adopted a resolution no. 368/2021 on the exclusion as of 8 April 2021 of the Company's shares from the alternative trading system on the NewConnect S.A. market.

#### **Note No. 48: Information on events after the balance sheet date**

After the balance sheet date no events occurred which could have a significant impact on the financial data included in the financial statements form the period ended on 31 December 2021.

#### **COVID-19**

The Company observes and analyses the impact of the spread of COVID-19 epidemic in Poland and in other countries where the Company's products are sold. So far, i.e. until the date of publication of these financial statements, it has not had a significant impact on the Company's financial result. Together with the periodic restrictions on movement and organisation of gatherings introduced in previous years the Company took measures aimed at introducing a remote working model in the Company. The purpose of this initiative was to minimise the risk of infections among the Company's staff. As part of the measures taken, changes were introduced to the network infrastructure and software to enable safe and possibly effective remote work, including ensuring communication between the Management Board and team members. At present the Company is ready to immediately return to remote working mode in case of renewed restrictions. It should be noted that in the Company's opinion the long-lasting operation of the team in the remote working model may have a negative impact on the time of production works.

Taking into account the Company's cash balance, investment plans related to the production of games and in the absence of significant liabilities it should be stated that even a prolonged COVID-19 epidemic does not pose a threat to the Company's prospects and liquidity over the next 12 months.

#### **WAR IN UKRAINE**

On 24 February 2022 the Russian Federation launched an armed invasion of Ukraine. In response to Russia's unlawful actions, the international community, including EU countries and the United States, imposed extensive economic and political sanctions on the Russian Federation. Taking into account the unpredictability of the situation, at this stage it is not possible to assess potential scenarios for the development of the armed conflict and their consequences (including those related to sanctions) for the economic situation in Poland and in the world.

The Company does not conduct direct operations in any of the countries engaged in this conflict. The distribution of the Company's products on these markets takes place through sales platforms, in particular such as Steam, PlayStation Store and Microsoft Xbox Store. In opposing the actions of Russia and Belarus, the Company has applied to these entities to block the possibility to purchase the Company's products by users from these countries. Based on data for 2021 provided by a/m distribution platforms the total share of Russia and Belarus in the value of Green Heel's sales on these platforms was less than 2.5%. Whereas the share of Ukraine in these revenues was at 0.2% of the sales value. While even a long-term exclusion or limitation of distribution on these markets should not have a significant impact on the Company's financial result, at this stage it is not possible to reliably assess the impact of this situation on the Company's operations and prospects.

#### **Note No. 49: Data on off-balance sheet items, in particular contingent liabilities, including also guarantees and sureties (including avals) granted by the company**

Not present in the reporting period.

**Note No. 50: Liabilities to the State Budget or local government units due to obtaining ownership rights to buildings and structures**

Not present in the reporting period.

**Note No. 51: Income, costs and results of operations discontinued in a given period or expected to be discontinued in the following period**

Not present in the reporting period.

**Note No. 52: Production cost of fixed assets under construction, fixed assets for internal purposes**

Not present in the reporting period.

**Note No. 53: Capital expenditures incurred and planned in the next 12 months from the balance sheet date, including non-financial fixed assets**

<b>Expenditures on non-financial fixed assets</b>	<b>31.12.2021</b>
Capital expenditures incurred:	3,670,737
- including on environmental protection	0
Planned in the next 12 months from the balance sheet date:	4,600,000
- including on environmental protection	0

**Note No. 54: Information on transactions concluded by the issuer/related party/other entities in which the issuer has an equity interest/a partner of a jointly controlled entity/a significant investor with related parties, under conditions other than market conditions, together with their amounts and information on the nature of the relationship with the related parties and other information on these transactions necessary to understand their impact on the property, financial situation and the financial result**

Not present.

**Note No. 55: Information on average employment, divided into professional groups**

The Company does not employ any persons under employment agreement.

**Note No. 56: Information on the value of unpaid advances, credits, loans, guarantees, sureties or other agreements obliging to provide benefits for the company, granted by the company to managing and supervising persons**

This item was not present in the reporting period.

**Note No. 57: Information on remuneration of the audit firm**

On May 18, 2021, the Company concluded with Grant Thornton Polska Sp. z o.o. Sp.k. an agreement for the audit of separate financial statements for the period from January 1, 2021 to December 31, 2021 and for the period from January 1, 2022 to December 31, 2022, for reviews of interim separate financial statements for the period from January 1, 2021 to June 30 2021 and for the period from January 1, 2022 to June 30, 2022 and the preparation of reports on reviews, as well as the evaluation of reports on the remuneration of the Management

Board and Supervisory Board for the period from January 1, 2021 to December 31, 2021 and for the period from January 1, 2022 until June 30, 2022.

Specification	01.01.2021 -31.12.2021	01.01.2020– 31.12.2020
Statutory audit within the meaning of Article 2 (1) of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision	45,000	114,200
Other assurance services	37,000	35,000
Tax advisory services	0	0
Other services	0	0
<b>Total</b>	<b>82,000</b>	<b>149,200</b>

The amount of PLN 37,000 shown under item "Other attestation services" includes the remuneration of the audit firm for the review of the interim financial statements for the period from January 1, 2021 to June 30, 2021 in the amount of PLN 32,000 and the assessment of the remuneration report of the Management Board and Supervisory Board for the period from 1 January 2021 to December 31, 2021.

**Note No. 58: Information on significant events relating to previous years in the financial statements for the current period**

This item was not present in the reporting period.

**Note No. 59: Information on relationships between the legal predecessor and the company and on the manner and scope of acquisition of assets and liabilities**

This item was not present in the reporting period.

**Note No. 60: Financial statements adjusted for inflation**

There are no indications to adjust the analysed financial statements for inflation.

**Note No. 61: Difference between the data disclosed in the financial statements and in comparable data and the financial statements previously prepared and published**

Not applicable.

**Note No. 62: Changes in the applied accounting principles (policy) and method of preparing the financial statements, made in relation to the previous financial year(s), their reasons, titles and impact of the financial effects resulting therefrom on the property and financial situation, liquidity as well as financial result and profitability**

In the reporting period there were no changes in the applied accounting principles (policy) and method of preparing the financial statements that would affect the Company's property and financial situation, liquidity as well as financial result and profitability.

**Note No. 63: Adjustments of errors, their reasons, titles and impact of the financial effects resulting therefrom on the property and financial situation, liquidity as well as financial result and profitability, including information on income and costs from errors made in previous years charged to equity (fund) in the financial year with the indication of their amounts and nature**

Not applicable.

**Note No. 64: If the issuer does not prepare consolidated financial statements, the additional explanatory note to the financial statements should present the legal basis for not preparing the consolidated financial statements, together with data justifying the abandonment of consolidation, valuation using the equity method or the proportional method, name and registered office of an entity preparing the consolidated financial statements at a higher level of the capital group and place of its publication, basic economic and financial indicators characterising the activity of related parties, jointly controlled and associated entities in the current and previous financial year, such as: value of sales revenues and financial revenues, net financial result and value of equity, divided into groups, value of fixed assets, average annual employment, type of accounting standards applied by related parties, jointly controlled and associated entities as well as other information, if required under separate provisions.**

Not applicable.

**Note No. 65: In case of financial statements prepared for the period during which a merger occurred, indication that these are financial statements/consolidated financial statements prepared after the merger of companies as well as indication of the merger date and merger settlement method applied (acquisition, share pooling)**

During the period covered by these financial statements the Company did not merge with other entities. The Company prepares separate financial statements.

**Note No. 66: Information on the nature and economic purpose of agreements concluded by the issuer not included in the balance sheet to the extent necessary to assess their impact on the property, financial situation and the financial result**

Not present in the reporting period.

**Note No. 67: Name, address of the registered office of the management board or registered office of the entity and legal form of each entity, of which the entity is a partner with unlimited liability**

Not applicable.

**Note No. 68: Information on the objectives and principles of financial risk management, including the division into fair value hedging, cash flow hedging and hedging of shares in net assets of foreign entities**

In the area of financial risk management, the Company identifies credit risk related to trade receivables and cash.

In the field of trade receivables, credit risk related to sales with deferred payment terms and high concentration of contractors. As part of the sales model of the Company's products, the distribution platforms settle accounts with the Issuer within 30 to 60 days from the end of the relevant sales period. In 2021, 90% of sales were made to Valve Corporation, Sony and Microsoft. Deterioration of the financial condition of these contractors may have a negative impact on the timeliness of payments to the Company. This risk is limited by a very good history of payments from these entities and their very good financial standing.

In terms of cash, the Company is exposed to credit risk of financial institutions in which these funds are invested. The company invests funds only in reputable banks with a good rating.



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