

# REPORT OF THE MANAGEMENT BOARD ON THE ACTIVITIES of Creepy Jar S.A.

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for the first half of 2022



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Warsaw, 28 September 2022

## **DISCLAIMER**

This English language document has been prepared solely for the convenience of English speaking readers. Despite all the efforts devoted to this translation, discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail.

Creepy Jar S.A., its representatives and employees decline any responsibility in this regard.



# 1H 2022 HIGHLIGHTS

## Sale

PLN **28.1** million  
sales revenue

**+32%** vs PLN 22.1 million in 1H 2022

**649** thousand  
copies  
total gross sales

on platformach PC/Steam (459k),  
Sony PlayStation and Microsoft Xbox (190k) in 1H 2022



**Spirits of Amazonia 3**  
PC

premiere on 29 March 2022



**Spirits of Amazonia 1 and 2**  
PlayStation and Xbox One

premiere on 25 May 2022



**Green Hell VR**  
Oculus Quest 2 and Steam

premiere on 7 April 2022 and 9 June 2022

## Financial results

PLN **19.5** million  
EBITDA

**+34%** vs PLN 14.6 million in 1H 2021

PLN **18.6** million  
net profit

**+54%** vs PLN 12.1 million in 1H 2021

**66%**  
net profit margin

**+9 p.p.** vs 57% in 1H 2021

PLN **14.6** million  
first dividend payment

28 June 2022

## Production

PLN **3.5** million  
games production  
expenditures and costs

vs. PLN 2.5 million in 1H 2021

PLN **1.7** million  
Chimera production  
expenditures in 1H 2022

PLN 4.6 million - total Chimera production  
expenditures up to 30.06.2022



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### Information on the principles adopted when drawing up the report

The condensed semi-annual financial statements of Creepy Jar S.A. (hereinafter referred to as “**Financial statements**”) were prepared in accordance with the following 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”);
- Regulation 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”);

Unless otherwise indicated, all figures are presented in PLN and rounded to the nearest whole PLN.

### About Creepy Jar

**Creepy Jar S.A.** with its registered office in Warsaw (hereinafter “**the Company**”, “**the Issuer**” or “**Creepy Jar**”) is a producer and publisher of computer games designed for various hardware platforms. The studio produces high-profile productions in the segment of independent games with the characteristics of high-budget titles, referred to in the industry as Premium Indie.

### Basic information about the Company

<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>ISIN</b>	PLCRPJR00019
<b>Major objects of activity (PKD)</b>	62, 01, Z, SOFTWARE ACTIVITIES

Creepy Jar S.A. was incorporated on 16 December 2016 by a notarial deed including the consent to the incorporation of the Company, the wording of the Articles of Association and the statement of consent to acquire the entire share capital (notarial deed drawn up before notary Sylwia Jankiewicz in the Notary Office in Kraków under Rep. A No. 4475/2016). The Company was registered in the National Court Register on 2 March 2017. The Company does not have any branches (facilities).



## Share capital

The Company's share capital amounts to PLN 679,436 (six hundred seventy-nine thousand four hundred thirty-six zlotys) and is divided into 679,436 (six hundred seventy-nine thousand four hundred thirty-six) ordinary bearer shares with a nominal value of PLN 1 (one zloty) each, including:

- **500,000** (five hundred thousand) ordinary series A bearer shares with a nominal value of PLN 1.00 (one zloty) each,
- **147,082** (one hundred forty seven thousand eighty two) ordinary series B bearer shares with a nominal value of PLN 1.00 (one zloty) each,
- **32,354** (thirty two thousand three hundred fifty four) ordinary series C bearer shares with a nominal value of PLN 1.00 (one zloty) each;

To cover the series A shares subscribed for by Krzysztof Maciej Kwiatek, Krzysztof Sałek, Tomasz Michał Soból and Marek Jacek Soból in the share capital of the Company being established, the founders made individual non-cash contributions with a value of PLN 100,000 (one hundred thousand zlotys) each, with a total value of PLN 400,000 (four hundred thousand zlotys). These contributions were covered by copyrights to the concept of the Green Hell game. An agreement to transfer these rights was concluded by the Founders with the Company on 2 February 2017.

The remaining shares in the Issuer's share capital were covered by a cash contribution.

## Information on the Company's key products

Creepy Jar specializes in producing Premium Indie games for various hardware platforms, especially PC and consoles.

### Green Hell

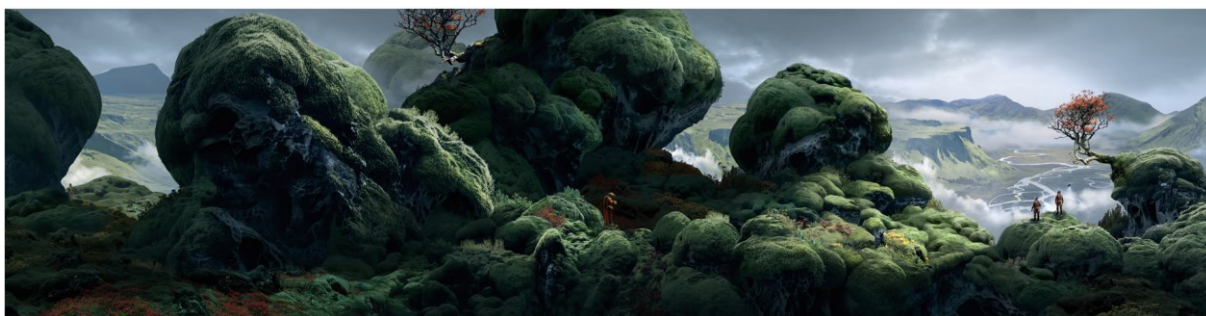
The Issuer's first production, Green Hell, is a realistic survival simulator set in the open world of the Amazon rainforest. Players take on the role of an anthropologist, Jake Higgins, who finds himself in a faithfully reproduced Amazon jungle full of deadly threats. He must quickly learn many survival techniques (lighting fires, building shelter, making tools, hunting, dressing wounds) that will allow him to survive in a hostile environment. At the same time, he cannot ignore his own physical and mental condition, which if ignored can pose a mortal threat to him. Green Hell is the first survival game set in the Amazon jungle and stands out from the competition with its diverse gameplay mechanics and compelling storyline. Green Hell was an international success and received high praise from players and reviewers (87% positive reviews on Steam). In July 2022, total gross sales of the game on PC/Steam, PlayStation and Xbox platforms exceeded 3.5 million copies.

The PC version of Green Hell was released on 29 August 2018 on the Steam distribution platform in Early Access mode. The full version of the game (Full Release) was made available on 5 September 2019. Green Hell allows the game to be played in single player mode and from 7 April 2020 in co-op mode for up to 4 players. The game is currently available on PC/Steam, in version on PlayStation 4, Xbox One and Nintendo Switch consoles and Green Heel VR on Oculus Quest 2, Oculus Rift and Steam platforms.

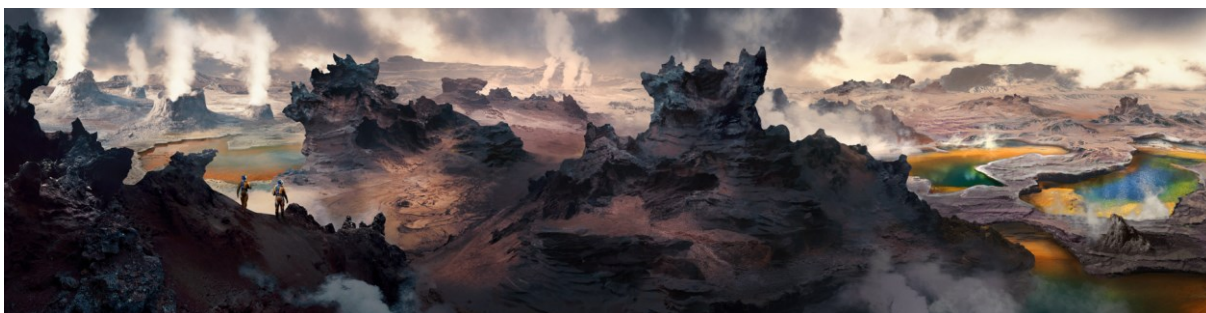
Since its early access release, the title has been regularly supported with updates containing improvements, new content and new story threads that clearly expand the game's content and provide players with more hours of entertainment. To date, Green Hell has received more than 80 updates, including several major additions such as co-op mode, story mode, the introduction of story mode to co-op, and Spirits of Amazonia series for PC, all of which have had a significant impact on the game's development and sales.

## Chimera

In late 2019 the Company has started working on a new project called Chimera. It will be an advanced base-building simulator with survivalist elements, from a first-person perspective, set in a science-fiction setting. The game, unlike Green Hell, will be aimed at more casual players.

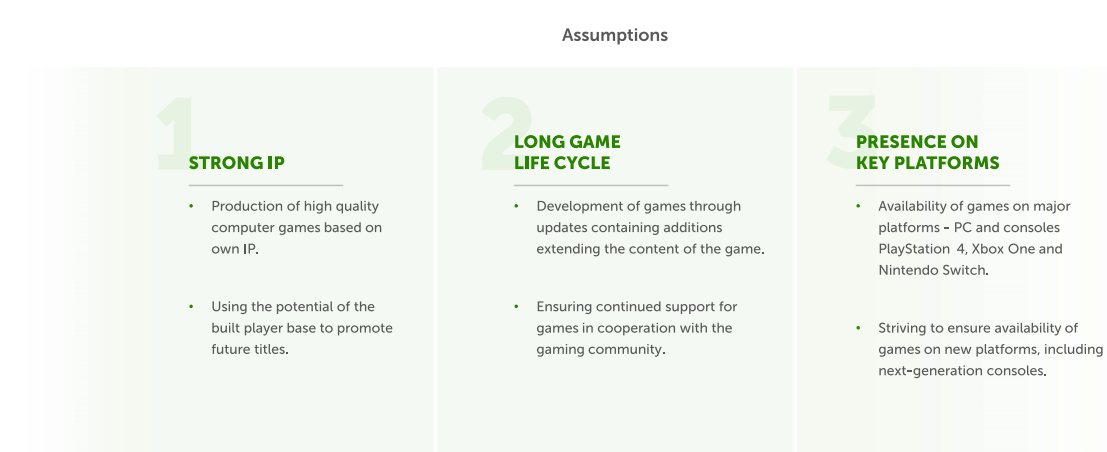


Chimera is being produced on Unreal Engine 5, one of the most advanced commercial game engines on the market. In the Issuer's opinion, Unreal Engine 5 offers technological and graphical capabilities which will allow to achieve above-average game quality and will significantly improve the production process. Additionally, thanks to the World Partition system, Unreal Engine 5 is conducive to building open worlds, in which Chimera will also be set.



The Issuer, as in the case of the first title, will probably decide to release Chimera in Early Access with the reservation that the game will have much more extensive content than Green Hell at the time of early access. Considering the success of the co-op mode in Green Hell, Chimera at the time of release will allow users to play in co-op mode for up to 4 players. The Issuer assumes that ultimately Chimera, due to its genre, will offer players an unlimited number of hours of gameplay. Compared to competitive titles the game will be distinguished by high dynamics of changes in the environment, attractive storylines and more survival elements, especially combat. The premiere date of the production has not yet been set.

## Business model



The Issuer specializes in the production of high-quality computer games based on its own IP, which it finances independently without external publisher support. The success of Green Hell, the studio's first production, gives the Issuer the opportunity to use the potential of the already established, broad player base to promote the Company's subsequent titles.

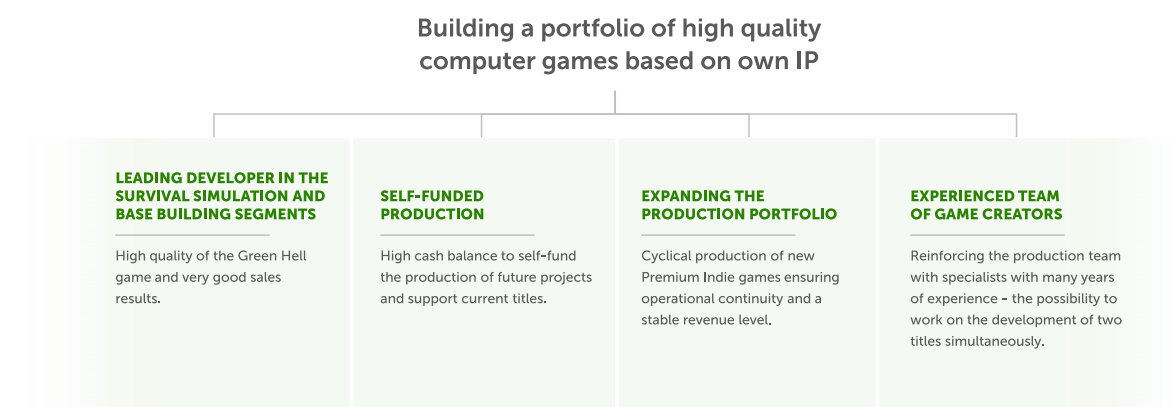
The Company assumes cyclical production of new Premium Indie games, which will ensure operational continuity and a stable level of income, enabling the realisation of subsequent original projects. The Issuer's business model assumes working on one leading project, while providing long-term support for previously released titles through updates containing free additions expanding their content. The support of the Company's products is realised in cooperation with the community of players. Thanks to this, the Issuer can respond in an optimum manner to the needs and expectations of the players with regard to the development of a given production, and thus increase its sales potential. The above activities are aimed at ensuring a long-term life cycle of the Issuer's games, which allows for generating revenues from product sales in the long term with relatively low involvement of Creepy Jar team in supporting the production. Currently, the leading title on which most of the team is working is Chimera. Green Hell, which premiered in early access format in September 2018, is supported and developed by a smaller, dedicated team.

The Issuer's business model is to have the studio's products present on all key hardware platforms in order to maximise their sales potential. Currently, the Company's only completed product is available on the most important (primarily in terms of number of users) platforms - PC and on PlayStation, Xbox, Nintendo Switch consoles (Forever Entertainment S.A. is responsible for porting and distribution) and Oculus Quest 2 (Incuvo S.A. is responsible for porting and distribution). Green Hell has not yet been released in a version dedicated to current generation consoles (PlayStation 5, Xbox Series X|S), but due to backward compatibility, owners of these consoles can play Green Hell in versions for previous generations (on PlayStation 4 and Xbox One). The Company is committed to ensuring the availability of its games on new platforms, including next-generation consoles.





## Basic assumptions of the Company's strategy



The main assumption of Creepy Jar S.A. development strategy is building a portfolio of high-quality computer games based on own IP.

The company sells Green Hell game worldwide in digital distribution model. Sales strategy of the Issuer assumes successive development of products through regular updates with free additions significantly increasing game content. After purchase the customer receives support for the title in the long term without having to incur additional costs.

The Issuer assumes cyclical production of Premium Indie games ensuring operational continuity and a stable level of income in the long term. The company focuses on independently financing its future projects and supporting current titles, which enables it to have high cash balance (PLN 61.2 million as at 30.06.2022) obtained as a result of very good sales of Green Hell.

The Issuer is also a publisher of its productions (self-publishing model) on major hardware platforms. In an attempt to ensure availability of its titles on the maximum number of platforms in selected cases (Nintendo Switch, VR) the Company grants licenses to external specialised entities for porting the studio's games to new platforms and their distribution. By granting such licenses the Company may, in a cost-effective manner, ensure its share in a portion of revenues generated by licensees on these platforms by participating in their potential market success. At the same time the availability of the studio's production on many platforms allows the Company to diversify the sources of income from the sale of one product. The Issuer focuses exclusively on its own projects and does not foresee in the near future any publishing activity for external development teams.

The Issuer's development strategy is based on organic growth, which the Company intends to achieve by systematically expanding its portfolio of computer games for key hardware platforms. In the Issuer's opinion this will allow for gradual diversification of revenue sources and will provide the Company with funds necessary to implement further original projects.

Currently Creepy Jar creates a team of over 40 game creators whose competences cover key areas necessary for the production of high-quality Premium Indie games. Company's development strategy assumes gradual reinforcement of the production team with specialists with many years of experience in gamedev industry in order to guarantee smooth production process and elimination of potential bottlenecks. The studio is also supported by external specialists working on music, storyline and outsourcing selected graphic elements.

The company conducts market analyses in order to identify areas with the greatest potential for computer game production.

### Risk factors

The activity of Creepy Jar S.A., similarly to other companies, is exposed to a number of financial and non-financial risks, the materialisation of which may have an impact on the Issuer's results and development prospects. The

Company's Management Board and key managers are responsible for identifying, assessing and monitoring the risks.

As far as possible, the Company continuously conducts activities aimed at limiting the negative impact of the identified risks.

The list of risk factors presented below is not a closed list. The Issuer provides information on the risk factors which, to the best of its knowledge, may affect the activity, financial situation, development perspectives and market price of the Company's shares and which are known to it as at the date of this Report. The Issuer stipulates that there may be other circumstances that constitute additional risk factors. It cannot be excluded, that in the course of time and development of the Company's activity, the catalogue of described risks will need to be modified or extended by additional factors.

The key risk factors related to the environment in which the Company operates and related to the Company's activity include:

- risk associated with the economic situation,
- risk associated with competition in the games industry,
- risk connected with the loss of key employees,
- risk connected with dependence on key distributors cooperating with the Issuer,
- risk connected with the quality and timeliness of game production,
- risk connected with potential failures or limitations in access to IT infrastructure,
- foreign exchange risk,
- credit risk,
- risk connected with changes or interpretation of legal or tax regulations,
- risk associated with evaluation of and access to confidential information.

#### **Risks associated with the economic situation**

The Issuer conducts operations in foreign and domestic markets. The Company's operations and the level of financial results depend on the macroeconomic situation worldwide and in Poland, including the retail trade, in particular on the computer games market and consumer spending. The level of demand generated by consumers depends directly and indirectly on macroeconomic variables relating to unemployment, the payroll market, interest rates, the pace of economic growth and fiscal and monetary policy. Negative changes in the general macroeconomic situation in the world, deteriorating income situation of households and on the labour market, as well as uncertainty in economic conditions (e.g. related to the Covid-19 pandemic or the war in Ukraine) may cause a general slowdown in economic activity, which may translate, among other things, into a decrease in demand for products offered by the Company.

Taking into consideration the Company's cash balance, investment plans connected with game production as well as the level of current costs and lack of significant liabilities, in the Issuer's opinion even a prolonged slowdown or economic downturn does not constitute a threat to the Company's development perspectives and liquidity.

#### **Risks associated with competition in the game industry**

The Issuer operates in the computer games market, which is a highly competitive market. Due to the profile and wide geographic scope of operations, the Company generally counts among its competitors a number of entities engaged in game development in Poland and around the world. The actual competition risk is limited by the fact that computer games are produced for various groups of recipients, for various publishers or for various hardware platforms. However, there are computer games available on the market which are similar to the Issuer's products which are sold through the same distribution channels, thus constituting direct competition to them. The risk connected with competition in the game industry is also connected with the fact that a significant

part of competitors have been active on the market longer and have greater potential for producing and promoting games than the Issuer. New products are constantly appearing on the market, as a result of which there is a risk of decreasing interest in specific products of the Company in favour of competition products.

The competitive market requires work on constant improvement of product quality, marketing and PR activities, as well as searching for new market niches and game themes which could arouse interest among a wide group of recipients. Access to state-of-the-art technologies and constant care for cost optimization play a key role. In order to prevent possible effects connected with competitor's products, the Issuer makes every effort in the process of creating new projects using state-of-the-art technologies, which directly influences product quality and realised sales. Materialisation of this risk may result in a reduction of the obtained revenues, including limited return of funds allocated to the implementation of a given project. In case of intensified competition, the Company may be forced to incur additional expenditures in order to maintain its market position. As a result, it may have a negative impact on the Company's operating activity and the Issuer's financial standing.

#### **Risks arising from dependence on key distributors cooperating with the Issuer**

The Company makes its products available to gamers in digital form through global distribution platforms such as Steam (operated by Valve Corporation), Sony PlayStation Store and Microsoft Xbox Store. Until June 2021 the Issuer based its product distribution mainly on the Steam platform. Since June 2021 the Green Hell game was made available for sale on the Sony PlayStation and Microsoft Xbox platforms. Valve Corporation's share of the Issuer's revenue in recent years was 42% in 2021, 86% in 2020 and 98% in 2019. On the other hand, the combined share of the three aforementioned entities in sales revenue was 75% in the first half of 2022.

The Issuer cannot exclude that in the future events will occur as a result of which the cooperation with Valve Corporation, Sony or Microsoft will be discontinued or limited or the terms of such cooperation will change to the detriment of the Issuer. Such events may occur as a result of, among other things, non-performance or improper performance of contractual terms and conditions, changes to game distribution regulations, technical problems concerning the Company's games or the platforms themselves, or force majeure. In order to reduce the degree of such dependence, and thus limit the impact of a possible materialisation of the risks described above on the Company's economic situation, the Issuer i) duly fulfils all of its obligations and meets the terms of the agreements concluded with distributors and ii) undertakes activities aimed at reducing dependence on particular distributors, in particular activities aimed at selling the Company's products through other platforms.

#### **Risks associated with the loss of key employees**

Due to the nature of the Companies' operations, the quality of released games is largely dependent on the skills and experience of the Company's key collaborators as well as the competence of its management team. The Company has created a stable team of valued specialists co-developing Green Hell and Chimera, which it intends to maintain and expand for the purposes of future productions. The Company minimises the risk of losing its key employees by ensuring satisfactory remuneration systems (including a share-based incentive scheme), adequate for their level of experience and qualifications, and a friendly working environment. The Company also applies non-financial bonuses in the form of medical insurance and access cards to sports facilities.

#### **Risk related to the quality and timeliness of game production**

The Company's business model is based on the cyclical production of games while simultaneously supporting titles already developed. The Issuer's financial results are dependent on the reception of products by players and the frequency of release of games and game supplements. Failure to meet gamers' expectations with regard to the quality of games and expansions may have a negative impact on sales revenues. Furthermore, a significant portion of sales revenues is realised directly after the release of a title or a major update. Prolonged production periods for games and expansions may have a negative impact on the Company's financial results.

The Company mitigates this risk by employing experienced specialists, using the latest available technologies and flexibly managing production processes.

### **Risks associated with potential failures or limitations in access to IT infrastructure**

The Company's operations are based on the proper functioning of internal and external IT systems, including network and server infrastructure. As a result of possible failure of these systems, the continuity of the Company's current operations and production may be limited or interrupted.

In order to reduce this risk, the Company has introduced a number of safeguards based on own infrastructure located in the Company's headquarters and cloud infrastructure, which increase the availability and security of key systems.

### **Foreign exchange risk**

The Issuer incurs product manufacturing costs in PLN, while the vast majority of revenues on game sales are realised in foreign currencies. A risk factor faced by the Company is the risk of unfavourable changes in exchange rates, in particular leading to a decrease in the value of the Company's revenues or receivables converted into PLN. This risk applies in particular to the exchange rate of PLN versus USD, as transactions in this currency make the most significant contribution to the Company's revenue structure. In the first half of 2022, sales revenues denominated in USD amounted to PLN 23.7 million, representing nearly 85% of all sales revenues of the Issuer. The Company also generates sales revenues in EUR, and their value after translation into PLN in the first half of 2022 amounted to PLN 3.1 million, which accounted for 11% of the total sales revenues.

The Issuer constantly monitors the level of revenues in foreign currencies in relation to the expected costs denominated in PLN and the changes in the foreign exchange market. Based on these analyses, the Company makes decisions on potential sales of foreign currencies with a future settlement date.

### **Credit risk**

Risk related to conducting sales with deferred payment and high concentration of contractors. Under the Company's product sales model, distribution platforms settle accounts with the Issuer within 30 to 60 days after the end of the applicable sales period. In the first half of 2022 75% of sales were made to Valve Corporation, Sony and Microsoft. Deterioration in the financial condition of these contractors may adversely affect the timeliness of payments to the Company. This risk is limited by the very good payment history from these entities and their very good financial condition. In terms of cash the Company is exposed to the credit risk of the financial institutions in which the funds are invested. The Company invests funds only in reputable banks, with a good rating.

### **Risk of changes or interpretation of legal or tax regulations**

As part of its business, the Company is exposed to changes in the law, including changes in its interpretation, which increases uncertainty. This applies in particular to tax regulations, intellectual property law, commercial law, labour law and capital market regulations. Adjusting the Company's operations to new or changing regulations may increase the costs. Failure to comply with the new and binding regulations or their different interpretation may result in administrative penalties being imposed on the Company.

Due to the specific nature of the industry, the game development process involves contractors cooperating with the Issuer on the basis of contracts other than employment contracts. There is a risk that the legitimacy of entering into such agreements may be questioned, which could lead to an increase in the Company's operating costs.

In order to minimise legal risk, the Company continuously cooperates with experienced legal and tax advisors and monitors legislative changes on an ongoing basis.

### **Risks associated with improper evaluation and unauthorised access to confidential information**

As an issuer of securities listed on the public market, the Company is obliged to fulfil its disclosure obligations, including the proper verification of information in terms of its qualification as confidential information within the meaning of the MAR Regulation. Incorrect assessment of events or unauthorised access to confidential



information may result in the Company breaching relevant regulations relating to the capital market and, consequently, lead to financial penalties being imposed on the Company and persons discharging managerial responsibilities.

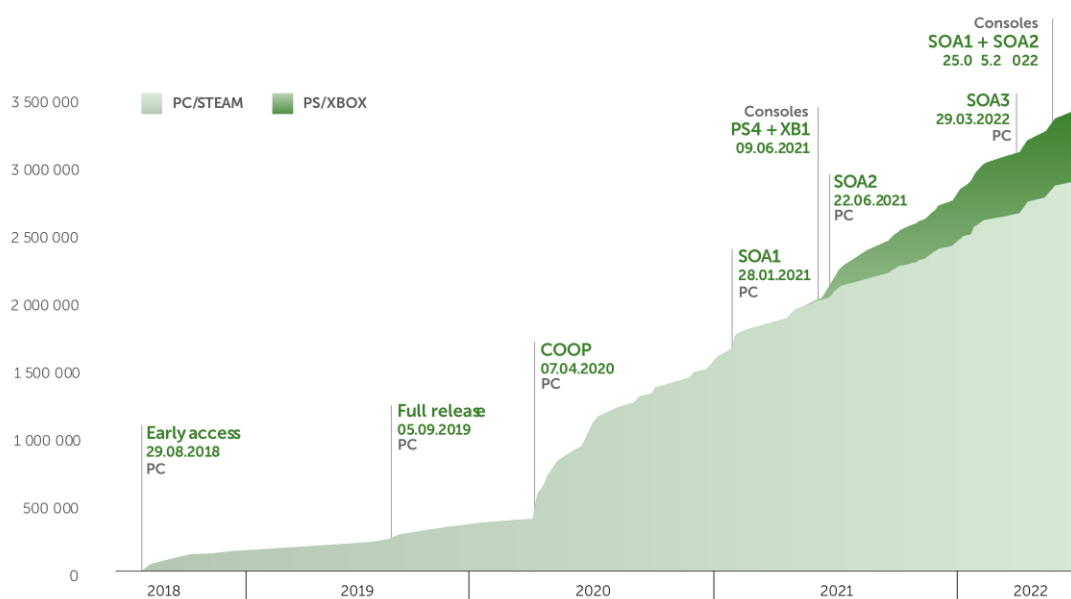
In order to mitigate this risk, the Issuer implements appropriate procedures with respect to the Company's reporting obligations, in particular regulating the flow and protection of access to confidential information. The Company organises regular trainings to increase the knowledge of its employees regarding confidential information.

## Significant achievements or failures of the Issuer in the first half of 2022

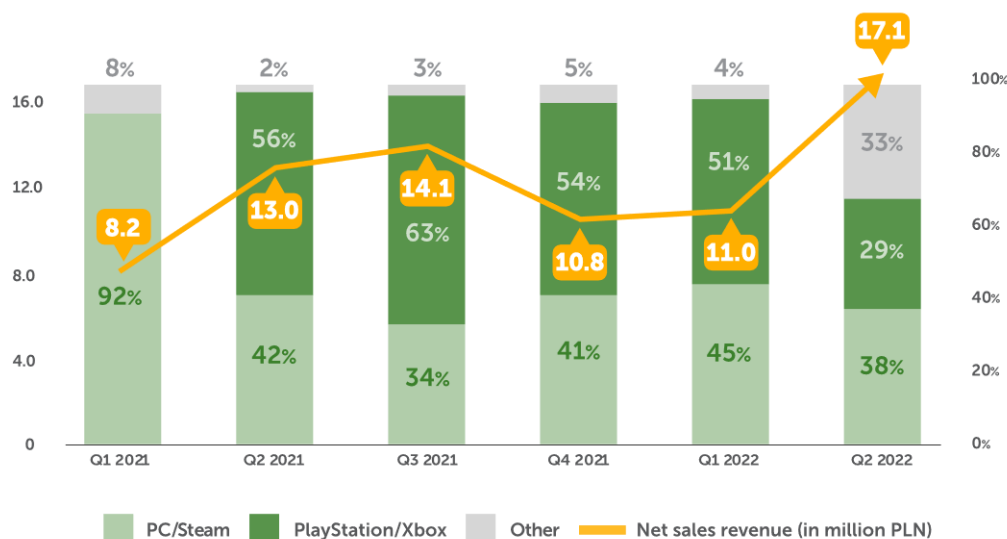
### Commentary on the results for the first quarter of 2022

In the first half of 2022, the Company achieved net sales of “Green Hell” in the amount of PLN 28.1 million, compared to PLN 21.2 million in the first half of 2021 (an increase by 32% y/y). The high level of sales revenues in the reported period was achieved due to very good sales of the Green Hell game on all hardware platforms, including sales of the Green Heel VR in versions on virtual reality platforms, for the issue and distribution of which Incuvo S.A. is responsible.

**Chart 1.** Total gross sales of the Green Hell game on PC/Steam, PlayStation and Xbox platforms (cumulative, pcs.) until 30.06.2022.



**Chart 2.** Share of Green Hell sales revenues for PC/Steam, PlayStation and Xbox consoles in the Company’s total revenues



In the first half of 2022 41% of net revenues from sales were generated on the PC/Steam platform, whereas the sales on Sony PlayStation and Microsoft Xbox consoles amounted to 37% of the Company's revenues. The remaining 22% are primarily royalties from entities to which the Company granted licence to port and distribute Green Hell on Nintendo Switch and virtual reality platforms. Gross sales by volume in the first half of 2022 on PC/Steam, PlayStation Store and Microsoft Store platforms (game versions to which the Company holds publishing rights) amounted to nearly 649 thous. copies, with 190 thous. on PlayStation and Xbox consoles. On 8 July 2022, in the current report no. 21/2022 the Company informed that the cumulative total gross sales of Green Hell on the a/m platforms exceeded 3.5 million copies.

In the reported period the Company generated PLN 19.1 million in operating profit (an increase by 43% y/y) and PLN 19.5 million in EBITDA (an increase by 34% y/y). It made it possible to achieve EBIT profitability of 68% and EBITDA profitability of 69%. Net profit in the reported period increased by 54% y/y to PLN 18.6 million and the net margin amounted to 66% (an increase by 9 p.p. y/y). Operating expenses in the first half of 2022 amounted to PLN 8.9 million. The largest items were remunerations (in the amount of PLN 5.0 million), which included PLN 3.3 million of costs related to the implementation of the 2020-2022 Incentive Scheme, and third-party services (in the amount of PLN 2.9 million), which included among other things the production costs of expansion packs for the Spirits of Amazonia 3 and Animal Husbandry on PC. The depreciation in the reported period amounted to PLN 0.4 million.

The balance sheet total as at 30 June 2022 amounted to PLN 84.7 million, which means an increase by PLN 10.3 million compared to 31 December 2021. Fixed assets increased by PLN 4.8 million to PLN 10.2 million. This results from an increase in deferred tax assets by PLN 2.7 million and expenditures on unfinished R&D works related to the Chimera production to PLN 4.6 million recognised in other long-term prepayments. The increase in current assets by PLN 5.5 million compared to the balance at the end of 2021 was mainly due to the increase in trade receivables. At the end of the reported period the Company achieved a 92% share of equity in the balance sheet total. The increase in short-term liabilities to PLN 4.8 million was due to an increase in public liabilities to PLN 3.3 million compared to the balance as at 31 December 2021.

The Company maintains a high cash generating efficiency. Cash flows from operating activities in the first half of 2022 amounted to PLN 18.1 million, which means an increase by 50% y/y. Net cash flows from operating activities in the first half of 2022 consisted of net profit of PLN 18.6 million and adjustments of PLN -0.5 million. Among the adjustments the most important items were costs related to the incentive scheme (PLN 3.3 million), change in trade and public receivables (PLN 4.3 million) and change in trade payables (PLN 2.0 million), as well as changes in prepayments and accruals (PLN 2.7 million). Cash flows from investing activities in the first half of 2022 included inflows of PLN 0.1 million and capital expenditure in the amount of PLN 10.4 million for i) the acquisition of intangible assets and tangible fixed assets of PLN 2.6 million, of which PLN 1.7 million were expenditures on the production of Chimera and ii) the acquisition of short-term securities (bonds) for nearly PLN 7.9 million.

On 28 June 2022 the Company paid a dividend for 2021 in the amount of PLN 14.6 million, i.e. PLN 21.5 per share.

Short-term financial assets as at 30 June 2022 amounted to PLN 61.2 million, of which cash and other pecuniary assets accounted for PLN 53.2 million compared to PLN 59.7 million as at 31 December 2021.

The table below presents the structure of short-term financial assets held by the Company:

Short-term financial assets ( in PLN)	30.06.2022	31.12.2021	30.06.2022
- cash at hand and at bank	7,907,313	6,706,984	38,098,634
- bank deposits	45,332,729	53,000,000	0
- short-term securities (bonds)	7,912,614	0	0
- other short-term financial assets (Forward contracts)	0	233,327	0
<b>Total</b>	<b>61,152,655</b>	<b>59,940,310</b>	<b>38,098,634</b>

## **Game production**

The total R&D expenses related to game production in the first half of 2022 amounted to PLN 3.5 million, PLN 2.4 million of which was recognised in the balance sheet and further PLN 1.1 million was recognised in the income statement as current game development costs.

### **Green Hell**

In the first half of 2022 the Company finished work on the last in the Spirits of Amazonia series and the largest expansion pack to the base version of Green Hell in terms of new content, which was released on PC on 29 March 2022. Spirits of Amazonia 3 has received a lot of positive feedback from players, with Green Hell reaching the 20th position of the Steam Global Top Sellers in the first week after its release.

In accordance with the published roadmap for 2022, the Company plans to release the expansion pack for Building Update for PC, which will significantly expand the ability to construct and build a base with the ability to cut larger trees and remove obstacles such as logs and stumps. New elements will also be introduced: doors, bridges, tree houses and many others.

In the reported period the Company has also finished work on the porting of the first two parts of the Spirits of Amazonia expansion pack on PlayStation 4 and Xbox One consoles. They were released on these platforms on 25 May 2022. The Company plans to release the expansion pack to the Spirits of Amazonia 3 in version for PlayStation 4 and Xbox One consoles.

On 1 August 2022 the Company has released Animal Husbandry, the next major update to Green Hell on PC, which enriches the gameplay with, among others, mechanics of catching, taming and breeding animals: capybara, tapis and peccary.

### **Chimera**

In the first half of 2022 the Company continued work on its second original project called Chimera. Production milestones met at this time include key mechanics and game elements. The Issuer plans to release the first marketing materials for Chimera in the second half of 2022.

The Company has sufficient cash to complete the new game. The total value of expenditures incurred for the production of Chimera as at 30 June 2022 amounted to PLN 4.6 million, of which over PLN 1.7 million was incurred in the first half of 2022.

## **Factors and events, including those of an untypical nature, having a material impact on the condensed financial statements**

In the first half of 2022 there were no factors of unusual nature that affected the financial results achieved by the Company in the period.

### **Description of changes in the organization of the Issuer's capital group**

Not applicable. The Issuer does not form a capital group.

## **The Management Board's position concerning the possibility of fulfilment of previously published result forecasts for a given year in the light of the results presented in the quarterly report in relation to the forecast results**

The Company's Management Board did not publish any financial estimates or forecasts concerning the presented period.



### Issuer's shareholding structure as at the date of submission of the semi-annual report

Shareholder	Number of shares	% in share capital	Number of votes	% of votes
<b>VENTURE FIZ</b>	87,361	12,86%	87,361	12,86%
<b>Krzysztof Kwiatek</b>	73,879	10,87%	73,879	10,87%
<b>Krzysztof Sałek</b>	73,878	10,87%	73,878	10,87%
<b>Tomasz Soból</b>	73,752	10,85%	73,752	10,85%
<b>TFI Allianz Polska S.A.</b>	47,969	7,06%	47,969	7,06%
<b>Quercus TFI S.A.</b>	34,000	5,00%	34,000	5,00%
<b>Shareholders with &lt; 5% of votes at the General Meeting of Shareholders</b>	288,597	42,48%	288,597	42,48%
<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.

On 20 May 2022 in the current report no. 13/2022 the Company submitted a notification obtained from Quercus Towarzystwo Funduszy Inwestycyjnych S.A. of an increase in ownership and exceeding jointly by the investment funds QUERCUS Parasolowy SFIO, QUERCUS Global Balanced Plus FIZ, QUERCUS Absolute Return FIZ and Acer Aggressive FIZ the threshold of 5% of the total number of votes in the Company.

On 6 July 2022 in the current report no. 20/2022 the Company submitted a notification obtained from TFI Allianz Polska S.A. of an increase in the share in the total number of votes at the Company's general meeting of shareholders.

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 Ordinary General Meeting of Shareholders of the Company held on 7 June 2022.

To the Issuer's best knowledge there were no changes in the ownership structure of significant holdings of the Issuer's shares until the date of publication of this report.

### Shares of the Issuer or rights thereto held by persons managing and supervising the Issuer as at the date of submitting the quarterly report

Shareholder	Position	Number of shares	% in share capital	Number of votes	% of votes
<b>Krzysztof Kwiatek</b>	President of the Board	73,879	10,87%	73,879	10,87%
<b>Krzysztof Sałek</b>	Member of the Board	73,878	10,87%	73,878	10,87%
<b>Tomasz Soból</b>	Member of the Board	73,752	10,85%	73,752	10,85%
<b>Michał Paziewski</b>	Member of the Supervisory Board	279	0,04%	279	0,04%

During the first half of 2022 and until the date of publication of this report, there were no changes in the ownership of the Company's shares by persons managing and supervising Creepy Jar S.A.

### Material proceedings pending before court, competent arbitration authority or public administration authority concerning the Issuer's liabilities and receivables

As at the date of publication of this report and for a period of at least 12 months preceding the date hereof, the Company is not, nor has it been a party to any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or, to the best of the Company's knowledge, threatened) concerning the liabilities or receivables of the Company.

**Information on conclusion by the Issuer of one or more transactions with related entities if they were concluded on non-market terms**

In the first half of 2022 the Issuer did not conclude any significant transactions with related entities on conditions other than market conditions.

**Information on credit or loan sureties or guarantees granted by the Issuer**

In the first half of 2022 the Company has not granted any sureties or guarantees, including those from entities related to the Issuer.

**Information which, in the Issuer's opinion, is significant for the assessment of its personnel, property, financial situation, financial result and their changes as well as information which is significant for the assessment of the Issuer's ability to fulfil its obligations**

As of 30 June 2022, the Company's team included 42 permanent employees.

Apart from the information mentioned above and presented in this report, the Issuer does not possess any other significant information which might significantly affect the assessment of its personnel, property, financial situation, financial result and their changes, as well as the assessment of the possibility of fulfilling its obligations by the Issuer.

**Indication of factors which, in the Issuer's opinion, will affect its results in the perspective of at least the next quarter**

In the Issuer's opinion, the following factors will have a direct impact on the financial results achieved in at least the next quarter:

- continued work on Chimera – an advanced base-building simulator with survivalist elements;
- expansion of Green Hell with further updates (Building Update add-ons on PC);
- release of the Spirits of Amazonia 3 in version for PlayStation 4 and Xbox One consoles;
- continued work on the release of Green Hell on subsequent virtual reality platforms;
- release of Green Hell on current generation consoles (PlayStation 5 and Xbox Series S|X).

The Company focuses on work related to its second original game called Chimera.

In 2022 the Company plans to release the last expansion pack of the Spirits of Amazonia series for the PlayStation 4 and Xbox One consoles (the premiere of Spirits of Amazonia 1 and 2 took place on 25 May 2022) and to make available the expansion pack for Building Update for PC, both scheduled in the Green Hell roadmap for 2022. The Company will announce the release dates of future add-ons as they progress.

The highest sales revenue to date have been recorded in periods immediately following the game's launch (including on new platforms) or the addition of new updates (e.g. co-op mode, story mode, expansion packs of Spirits of Amazonia series). In the periods between significant updates or expansions, turnover can be significantly lower, which can result in significant differences in revenue values and disparities in financial performance from one reporting period to the next. The Issuer tries to minimise this effect by releasing the game on new platforms and adding further free updates that expand the content of Green Hell. As a consequence, the Issuer tries to extend the life of the product on the market and at the same time to spread sales over different periods of the year.

Further the Company plans to start work on the release of Green Hell in version for PlayStation 5 and Xbox Series X|S consoles.

On 7 April 2022 the release of Green Hell VR took place, for the porting and distribution of which Incuvo S.A. is responsible, in version for the Oculus Quest 2 platform, on 9 June 2022 in version for the Steam platform and on 29 July 2022 the game was released on the Oculus Rift platform. In accordance with the information provided by Incuvo S.A. in the interim report for the second quarter of 2022 in the period from 7 April 2022 to 30 June 2022 the net sales of the Green Hell VR game, i.e. Including returns and chargeback complaints, on the Oculus Quest 2 (Meta) and Steam platforms amounted to more than 117 thousand copies.

Warsaw, 28 September 2022

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**Krzysztof Kwiatek**

President of the Board  
Creepy Jar S.A.

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**Krzysztof Satek**

Member of the Board  
Creepy Jar S.A.

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**Tomasz Soból**

Member of the Board  
Creepy Jar S.A.



# STATEMENT OF THE MANAGEMENT BOARD of Creepy Jar S.A.

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Warsaw, 28 September 2022

**STATEMENT OF THE MANAGEMENT BOARD ON THE RELIABILITY OF THE FINANCIAL STATEMENTS**

In accordance with the provisions of § 68 (1) (4) of the Regulation of the Minister of Finance of 19 March 2009 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent the information required by the law of a non-member state (Official Journal of Laws 2018, item 757), the Management Board of Creepy Jar S.A. with its registered office in Warsaw hereby declares that:

- a) to the best of its knowledge, the semi-annual condensed financial statements of Creepy Jar S.A. for the first half of 2022 and comparable data have been prepared in accordance with the applicable accounting principles and reflect in a true, fair and clear manner the asset and financial situation of Creepy Jar S.A. and its financial result,
- b) the semi-annual report on the Company's activities for the first half of 2022 gives a true picture of the development and achievements and the situation, including a description of the basic threats and risks.

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**Krzysztof Kwiatek**

President of the Management  
Board of Creepy Jar S.A.

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**Krzysztof Sałek**

Member of the Management  
Board of Creepy Jar S.A.

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**Tomasz Soból**

Member of the Management  
Board of Creepy Jar S.A.



The Creators of **GREEN HELL**



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