

FINANCIAL STATEMENTS OF CREEPY JAR S.A.

for 2022



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SELECTED FINANCIAL DATA

Balance sheet	thous. PLN		thous. EUR	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Fixed assets	9,439	5,377	2,013	1,169
Current assets	94,289	68,992	20,105	15,000
Equity	100,022	71,048	21,327	15,447
Provisions for liabilities	224	593	48	129
Long-term liabilities	65	228	14	50
Short-term liabilities	3,418	2,500	729	544
Accruals	0	0	0	0

Book value (in PLN)	100,021,553	71,048,361	21,327,012	15,447,311
Number of ordinary shares (pcs.)	679,436	679,436	679,436	679,436
Book value per share (in PLN)	147.21	104.57	31.39	22.74
Diluted number of ordinary shares (pcs.)	699,364	698,203	699,364	698,203
Diluted book value per share (in PLN)	143.02	101.76	30.49	22.12

Profit and loss account	thous. PLN		thous. EUR	
	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021
Net revenues from sales	54,910	46,128	11,712	10,077
Operating expenses	18,659	15,932	3,980	3,480
Profit (loss) on sales	36,251	30,196	7,732	6,597
Profit (loss) on operating activities	36,059	30,193	7,691	6,596
Gross profit (loss)	39,595	31,389	8,446	6,857
Net profit (loss)	36,459	29,103	7,777	6,358

Cash flow statement	thous. PLN		thous. EUR	
	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021
Net cash flows from operating activities	45,426	35,506	9,689	7,757
Net cash flows from investment activities	-84,892	-3,600	-18,107	-786
Net cash flows from financial activities	-14,787	-163	-3,154	-36
Cash opening balance	59,736	27,993	12,742	6,115
Closing balance of cash	5,483	59,736	1,170	13,050

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 2022 - 4.6899
 - Exchange rate as of 31 December 2021 - 4.5994

- 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 2022 - 4.6883
 - Average exchange rate in 2021 - 4.5775

BALANCE SHEET

(in PLN)

ASSETS	Note	31.12.2022	31.12.2021
I. Fixed assets		9,439,324	5,377,436
1. Intangible assets	1,2	1,602,631	877,422
1.1 R&D expenses	5	1,602,631	876,334
1.2 other intangible assets		0	1,088
1.3 expenditures on intangible assets		0	0
2. Tangible fixed assets	3,4	634,681	716,598
2.1. other tangible fixed assets		634,681	716,598
a) land (including right to perpetual usufruct)		0	0
b) buildings, premises, right to premises and civil engineering works		188,261	158,486
c) technical equipment and machines		156,372	147,659
d) vehicles		236,647	410,454
e) other fixed assets		53,402	0
2.2. advances for tangible fixed assets under construction		0	0
3. Long-term receivables	9	2,933	2,904
3.1. From other entities		2,933	2,904
4. Long-term investments		0	0
5. Long-term prepayments		7,199,079	3,780,512
5.1. Deferred tax assets	10,11	165,653	132,573
5.2. Other prepayments	12	7,033,426	3,647,939
II. Current assets		94,289,232	68,992,052
1. Inventory	13	0	0
2. Short-term receivables	14	8,070,048	8,835,797
2.1. From related parties		0	0
2.2. From other entities where the issuer has an interest in the capital		0	0
2.3. From other entities		8,070,048	8,835,797
a) trade receivables	41	6,578,056	5,937,361
- up to 12 months		6,578,056	5,937,361
- over 12 months		0	0
b) receivables from tax, subsidy, customs, social security and other benefits		402,345	2,633,423
c) other		1,089,647	265,013
d) claimed at court		0	0
3. Short-term investments		86,041,196	59,940,310
3.1. Short-term financial assets		86,041,196	59,940,310
a) in related parties		0	0
b) in other entities	41,42	80,553,425	233,327
- other short-term financial assets		80,553,425	
c) cash and cash equivalents	16	5,487,771	59,706,984
- cash at hand and at bank	41	5,487,771	6,706,984
- other cash	41	0	53,000,000
- other pecuniary assets		0	0
3.2. Other short-term investments		0	0
4. Short-term prepayments	17	177,988	215,944
III. Called up share capital not paid		0	0
IV. Own shares (stocks)	18	0	0
TOTAL ASSETS		103,728,556	74,369,489

(in PLN)

LIABILITIES	Note	31.12.2022	31.12.2021
I. Equity		100,021,553	71,048,361
1. Share capital	19,20	679,436	679,436
2. Supplementary capital	21	3,428,081	3,501,831
3. Revaluation reserve		0	0
4. Other reserves	22	59,454,760	37,630,894
4.1 Created in accordance with the company's articles of association		39,837,808	25,135,731
4.2 Created in connection with share-based payments		19,616,952	12,495,162
5. Accumulated profit (loss) from previous years		0	133,023
6. Net profit (loss)		36,459,277	29,103,176
7. Write-off on net profit during the financial year (negative value)	23	0	0
II. Liabilities and provisions for liabilities		3,707,003	3,321,128
1. Provisions for liabilities		224,195	593,056
1.1. Deferred tax liability	26	161,395	89,056
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	62,800	504,000
a) long-term		0	0
b) short-term		62,800	504,000
2. Long-term liabilities	27	64,823	228,176
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		64,823	228,176
a) credits and loans		0	0
b) arising from issuance of debt securities		0	0
c) other financial liabilities		64,823	228,176
d) bill of exchange liabilities		0	0
e) other		0	0
3. Short-term liabilities	28	3,417,985	2,499,895
3.1. Liabilities to related parties		0	0
3.2. Liabilities to other entities in which the entity has an interest in capital		0	0
3.3. Liabilities to other entities		3,417,985	2,499,895
a) credits and loans		0	0
b) arising from issuance of debt securities		0	0
c) other financial liabilities		162,324	155,671
d) trade liabilities	41	897,649	531,338
- up to 12 months		897,649	531,338
- 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		76,470	66,406
h) payroll liabilities		2,281,542	1,746,480
i) other		0	0
3.4. Special funds		0	0
4. Accruals	29	0	0
4.1. Negative goodwill		0	0
4.2. Other prepayments		0	0
a) long-term		0	0
b) short-term		0	0
TOTAL LIABILITIES		103,728,556	74,369,489
		31.12.2022	31.12.2021
Book value (in PLN)		100,021,553	71,048,361
Number of ordinary shares (pcs.)		679,436	679,436
Book value per share (in PLN)		147.21	104.57
Diluted number of ordinary shares (pcs.)		699,364	698,203
Diluted book value per share (in PLN)		143.02	101.76

PROFIT AND LOSS ACCOUNT (COMPARATIVE VARIANT)

(in PLN)

	Note	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
I. Net revenues from sales and equivalent, including revenues:	32	54,910 256	46,128 029
- from related parties		0	0
1. Net revenues from sales of products		54,910 256	46,128,029
2. Change in the balance of products (increase - positive value, decrease - negative value)		0	0
3. Manufacturing cost of products for internal purposes		0	0
4. Net revenues from sales of goods and materials		0	0
II. Operating expenses		18,658,885	15,931,628
1. Amortisation and depreciation		1,041,559	1,597,873
2. Consumption of materials and energy		272,262	246,909
3. External services		5,917,657	4,515,450
4. Taxes and charges, including:		52,517	24,617
- excise duty		0	0
5. Payroll		10,490,886	9,156,395
6. Social security and other benefits, including:		62,966	44,357
- pension		32,014	22,443
7. Other costs by type		821,037	346,028
8. Value of goods and materials sold		0	0
III. Profit (loss) on sales (I-II)		36,251,371	30,196,401
IV. Other operating revenues	33	18,024	14,518
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		18,024	14,518
V. Other operating expenses	34	210,847	17,791
1. Loss on disposal of non-financial fixed assets		0	0
2. Revaluation of non-financial assets		0	0
3. Other operating expenses		210,847	17,791
VI. Profit (loss) on operating activities (III+IV-V)		36,058,548	30,193,129
VII. Financial revenues	35	4,028,082	1,232,955
1. Dividends and profit-sharing		0	0
2. Interest, including:		3,226,239	33,360
- from related parties		0	0
3. Gain on disposal of financial assets	42	0	70,628
4. Revaluation of financial assets	41	0	233,327
5. Other		801,843	895,641
VIII. Financial expenses	36	491,360	36,862
1. Interest, including:		22,571	36,862
- for related parties		0	0
2. Loss on disposal of financial assets, including:		235,463	0
- in related parties		0	0
3. Revaluation of financial assets		233,327	0
4. Other		0	0
IX. Gross profit (loss) (VI+VII-VIII)		39,595,270	31,389,221
X. Income tax	37	3,135,994	2,286,045
1. Current tax		3,096,734	2,324,721
2. Deferred tax		39,260	-38,676
XI. Other statutory reductions in profit (increases in loss)		0	0
XII. Net profit (loss) (IX-X-XI)		36,459 277	29,103,176
		01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Net profit (loss) (PLN)		36,459,277	29,103,176
Weighted average number of ordinary shares (units)		679,436	679,436
Profit (loss) per share (PLN)		53.66	42.83
Diluted weighted average number of ordinary shares (units)		698,844	698,006
Diluted net profit (loss) per share (PLN)		52.17	41.69

STATEMENT OF CHANGES IN EQUITY

(in PLN)

	Note	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
I. Opening balance of equity		71,048 361	35,481,063
a) changes to the adopted accounting principles (policy)		0	0
b) adjustments of errors		0	0
II. Opening balance of equity after adjustments		71,048 361	35,481 063
1. Opening balance of share capital		679,436	679,436
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
2. Opening balance of supplementary capital		3,501,831	3,501,831
a) adjustments of errors		0	0
2.1. Opening balance of supplementary capital after adjustments		3,501,831	3,501,831
2.2. Changes in supplementary capital		-73,751	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)		73,751	0
- loss coverage		73,751	0
2.3. Closing balance of supplementary capital	21	3,428 081	3,501,831
3. Opening balance of revaluation reserve		0	0
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
4. Opening balance of other reserves		37,630,894	8,758,001
4.1. Changes in other reserves		21,823,866	28,872,893
a) increase (due to)		21,823,866	28,872,893
- profit distribution		14,702,077	22,408,772
- share-based payment		7,121,789	6,464,121
b) decrease (due to)		0	0
4.2. Closing balance of other reserves	22	59,454,760	37,630,894
5. Opening balance of previous years' profit (loss)		29,236 200	22,541,795
5.1. Opening balance of previous years' profit		29,309 951	22,615,546
a) changes to the adopted accounting principles (policy)		0	0
b) adjustments of errors		0	0
5.2. Opening balance of previous years' profit after adjustments		29,309 951	22,615,546
a) increase (due to)		0	0
- undistributed profit		0	0
b) decrease (due to)		29,309 951	22,408,772
- profit distribution from previous years		29,309 951	22,408,772
5.3. Closing balance of previous years' profit		0	206,774
5.4. Opening balance of previous years' loss		-73,751	-73,751
a) changes to the adopted accounting principles (policy)		0	0
b) adjustments of errors		0	0
5.5. Opening balance of previous years' loss after adjustments		-73,751	-73,751
a) increase (due to)		0	0
b) decrease (due to)		73,751	0
5.6. Closing balance of previous years' loss		0	-73,751
5.7. Closing balance of previous years' profit (loss)		0	133,023
6. Net result		36,459 277	29,103,176
a) net profit		36,459 277	29,103,176
b) net loss		0	0
c) write-offs from profit		0	0
III. Closing balance of equity		100,021 553	71,048,361
IV. Equity including proposed profit distribution (loss coverage)		100,021 553	71,048,361

CASH FLOW STATEMENT

(in PLN)

Note	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
A. Cash flows from operating activities		
I. Net profit / loss	36,459,277	29,103,176
II. Total adjustments	8,966,627	6,402,609
1. Amortisation and depreciation	1,041,559	1,597,873
2. Exchange gains (losses)	-33,975	13,585
3. Interest and profit sharing (dividend)	-920,081	-19,583
4. Profit (loss) on investment activities	468,789	-303,954
5. Change in provisions	-368,861	484,051
6. Change in inventory	0	0
7. Change in receivables	765,720	-2,231,659
8. Change in short-term liabilities excluding credits and loans	911,436	622,646
9. Change in prepayments and accruals	-19,750	-224,473
10. Other adjustments	7,121,789	6,464,121
III. Net cash flows from operating activities (I+II)	45,425,903	35,505,785
B. Cash flows from investing activities		
I. Inflows	23,764,538	70,628
1. From financial assets, including:	23,764,538	70,628
b) in other entities	23,764,538	70,628
- disposal of financial assets	23,764,538	70,628
II. Outflows	108,656,847	3,670,737
1. Purchase of intangible assets and tangible fixed assets	5,079,067	3,670,737
2. Asset liabilities, including:	103,577,780	0
b) in other entities	103,577,780	0
- disposal of financial assets	103,577,780	0
3. Other outflows from investment activities	0	0
II. Net cash flows from investment activities (I-II)	-84,892,310	-3,600,110
C. Cash flows from financial activities		
I. Inflows	0	0
II. Outflows	14,786,781	162,510
1. Dividends and other distributions to the owners	14,607,874	0
2. Payments of liabilities under the lease agreement	156,700	148,737
3. Interest	22,207	13,773
4. Other outflows from financial activities	0	0
III. Net cash flows from financial activities (I-II)	-14,786,781	-162,510
D. Total net cash flows (A.III+B.III+C.III)	25,746,813	31,743,165
E. Balance sheet change in cash, including:	-54,219,213	31,729,580
- change in cash due to exchange rate differences	-18,100	13,585.48
F. Cash opening balance	59,736,444	27,993,279
G. Closing balance of cash (F+D), including:	5,483,257	59,736,444
- of limited disposability	0	0

INTRODUCTION TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022

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. of 2023 item 120, 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. of 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 figures are presented in PLN and rounded to the nearest whole PLN.

1. General Information

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

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 2022 to 31 December 2022. Comparable data are presented for the period from 1 January 2021 to 31 December 2021.

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

Management Board

Composition of the Issuer's Management Board as at 31.12.2022:

Full name	Function
Krzysztof Kwiatek	President of the Board
Krzysztof Sałek	Member of the Board
Tomasz Soból	Member of the Board

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

In the current report no. 10/2022 the Company informed that on 29 April 2022 the Company's Supervisory Board adopted a resolution to appoint all existing members of the Company's Management Board for a new term of 5 years, commencing on the date of the Company's Ordinary General Meeting approving the financial statements for the financial year ended 31 December 2021 (i.e. 7 June 2022):

- Mr. Krzysztof Maciej Kwiatek – entrusting him with the function of the President of the Board,
- Mr. Krzysztof Sałek – entrusting him with the function of the Member of the Board,
- Mr. Tomasz Soból – entrusting him with the function of the Member of the Board;

In the current report no. 28/2022 the Company informed that on 30 November 2022 the Company's Supervisory Board adopted a resolution on changes to the composition of the Company's Management Board. The Supervisory Board, in accordance with § 21(2) and (4) of the Company's Articles of Association, determined the number of members of the Management Board of Creepy Jar S.A. to be 4 (four) members, including the President of the Management Board, and appointed Mr. Grzegorz Piekart as a Member of the Management Board of the Company as of 1 January 2023.

Since the end of the reporting period till the date of publication of this report, there have been no changes in the composition of the Company's Management Board other than those indicated above.

Composition of the Issuer's Management Board as at the day of publication of this report:

Full name	Function
Krzysztof Kwiatek	President of the Board
Grzegorz Piekart	Member of the Board
Krzysztof Sałek	Member of the Board
Tomasz Soból	Member of the Board

Supervisory Board

Composition of the Issuer's Supervisory Board as at 31.12.2022:

Full name	Function
Michał Paziewski	Chairman of the Supervisory Board
Mirosława Cienkowska	Member of the Supervisory Board
Artur Lebieźniński	Member of the Supervisory Board
Tomasz Likowski	Member of the Supervisory Board
Piotr Piskorz	Member of the Supervisory Board

Composition of the Audit Committee:

Full name	Function
Mirosława Cienkowska	Chairwoman of the Audit Committee
Michał Paziewski	Member of the Audit Committee
Piotr Piskorz	Member of the Audit Committee

In the current report no. 17/2022 the Company informed that on 7 June 2022 the Company's Ordinary General Meeting of Shareholders appointed the following persons to the Company's Supervisory Board for a new term:

- Mr. Artur Lebieźniński,
- Mr. Tomasz Likowski,
- Mr. Michał Paziewski,
- Mr. Piotr Piskorz.

At the same time, the Venture Closed-end Investment Fund, acting pursuant to § 18 (3) of the Company's Articles of Association, appointed Mrs. Mirosława Cienkowska to the Company's Supervisory Board as of 7 June 2022.

Since the end of the reporting period till the date of publication of this report, there have been no changes in the composition of the Company's Supervisory Board.

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 Issuer 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 adapted to the provisions resulting from the Accounting Act of 29 September 1994 (consolidated text: Dz.U. of 2023 item 120) as amended.

Principles of recording fixed tangible and intangible assets

Fixed tangible 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 assets 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 and amortisation 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:

Buildings and structures	1.5-4.5%
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 acquires 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 tangibles and intangible assets is periodically verified by the Company.

Development costs

The costs of completed development works 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 quantity 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 completed development works, the period of write-downs may not exceed 5 years.

Amortisation of completed development 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 costs of completed development works.

The costs of development works in the period until their completion are recognised as long-term prepayments.

Leasing

The Company applies the principles of qualification of lease, tenancy, leasing and other similar agreements provided for in Article 3 (4) and (5) of the Accounting Act. If the Company is a party to lease, tenancy, leasing 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 value 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.

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 costs of completed development works, 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 not 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 Company 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.

Transactions 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

In the period covered by the financial statements the Issuer's Accounting Policy has not changed.

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
01.01-31.12.2021	4.5775	4.4805	4.6834	4.5994
01.01-31.12.2022	4.6883	4.5756	4.8698	4.6899

*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. Bank deposits with a maturity of over 3 months, recognized by the Company as at 31.12.2022 as other short-term financial assets, would be recognized as financial assets measured at amortized cost in accordance with IFRS 9.

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

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

Table No 2. Impact of the IFRS 9 application on the presentation of term deposits in the Company's balance sheet

PAS	IAS
Current assets	Current assets
Other short-term financial assets	Financial assets at amortized cost

Table No 3. Classes of financial instruments and their fair value

(PLN)	31.12.2022	31.12.2021
Financial assets at fair value through the financial result	0	233,327
Financial assets at amortized cost	80,553,425	
Carrying amount	80,553,425	233,327
Fair value	80,553,425	233,327
Level 1	0	0
Level 2	80,553,425	233,327
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)	31.12.2022	31.12.2021
ASSETS	38,311	306,563
Fixed assets	38,311	306,563
Right-of-use assets	192,236	384,472
Deferred tax assets	-153,925	-77,909
LIABILITIES	38,311	306,563
Equity	-31,848	-47,522
Financial result of the current period	15,674	-27,197
Financial result from previous years	-47,522	-20,325
Long-term liabilities	-161,395	142,498
Lease liabilities	0	231,554
Deferred tax liability	-161,395	-89,056
Short-term liabilities	231,554	211,587
Lease liabilities	231,554	211,587

Table. No 4. Impact of the IFRS 16 and IAS 12 application on the Company's balance sheet

(PLN)	2022	2021
Operating expenses	-50,828	11,005
Amortisation and depreciation	192,236	192,236
External services	-243,064	-181,231
Financial expenses	31,477	47,664
Interest	31,477	47,664
Financial revenues	0	25,092
Other	0	25,092

Income tax	-3,677	6,380
Deferred income tax	-3,677	6,380
Financial result	15,674	-27,197

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)	31.12.2022	31.12.2021
Weighted average number of shares	679,436	679,436
Weighted average diluted number of shares	698,844	698,006
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	699,364	698,203
Net profit according to PAS	36,459,277	29,103,176
Effect of IAS application	15,674	-27,197
Net profit after IAS application	36,474,951	29,075,979
Equity according to PAS	100,021,553	71,048,361
Effect of IAS application	-31,848	-47,522
Equity after IAS application	99,989,705	71,000,839
Profit per share according to PAS	53.66	42.83
Profit per share after IAS application	53.68	42.79
Diluted profit per share according to PAS	52.17	41.69
Diluted profit per share after IAS application	52.19	41.66
Book value per share according to PAS	147.21	104.57
Book value per share after PAS application	147.17	104.50
Diluted book value per share according to PAS	143.02	101.76
Diluted book value per share after PAS application	142.97	101.69

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)	31.12.2022	31.12.2021
Impact on the financial result	15,674	-27,197
Impact on the financial result of previous years	-47,522	-20,325
Impact on the equity as at the date ending the reporting period	-31,848	-47,522

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)	31.12.2022	31.12.2021
ASSETS	0	0
Fixed assets	0	0
Intangible assets	7,030,721	3,536,505
Long-term prepayments	-7,030,721	-3,536,505

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	31.12.2022	31.12.2021
a) R&D expenses	1,602,631	876,334
b) goodwill	0	0
c) acquired concessions, patents, licences and similar assets, including: - computer software	0	0
d) other intangible assets	0	1,088
e) advances on intangible assets	0	0
Total	1,602,631	877,422

Intangible assets (ownership structure)	31.12.2022	31.12.2021
a) owned	1,602,631	877,422
b) used under a rental agreement, tenancy agreement or another agreement, including lease agreement	0	
Total	1,602,631	877,422

Note No. 2: Changes in intangible assets

Specification	R&D expenses	Goodwill	Other intangible assets	Advances on intangible assets	Total
Gross value					
01.01.2022	8,253,434	0	470,569	0	8,724,002
Increases	1,328,337	0	4,345	922,451	1,332,682
- purchase	0	0	4,345	922,451	4,345
- R&D expenses	1,328,337	0	0	0	1,328,337
Decreases	0	0	0	0	0
31.12.2022	9,581,771	0	474,914	922,451	10,056,685
Depreciation					
01.01.2022	7,377,099	0	469,481	0	7,846,580
Increases	602,041	0	5,433	0	607,473
- amortisation and depreciation	602,041	0	5,433	0	607,473
Decreases	0	0	0	0	0
31.12.2022	7,979,140	0	474,914	0	8,454,054
Write-offs	0	0	0	0	0
Net value					
01.01.2022	876,334	0	1,088	0	877,422
31.12.2022	1,602,631	0	0	922,451	1,602,631

Specification	R&D expenses	Goodwill	Other intangible assets	Advances on intangible assets	Total
Gross value					
01.01.2021	6,120,324	0	436,205	0	6,556,529
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
31.12.2021	8,253,434	0	470,569	0	8,724,002
Depreciation					
01.01.2021	6,120,324	0	422,061	0	6,542,386
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
31.12.2021	7,377,099	0	469,481	0	7,846,580
Write-offs	0	0	0	0	0
Net value					
01.01.2021	0	0	14,144	0	14,144
31.12.2021	876,334	0	1,088	0	877,422

Amortisation related to R&D expenses is presented under amortisation expenses in the comparative version of the profit and loss account. 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 quantity 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 completed development works, the period of write-downs may not exceed 5 years.

Note No. 3: Tangible fixed assets

Tangible fixed assets	31.12.2022	31.12.2021
fixed assets, including:	634,681	716,598
- land (including right to perpetual usufruct)	0	0
- buildings, premises, right to premises and civil engineering works	188,261	158,486
- technical equipment and machines	156,372	147,659
- vehicles	236,647	410,454
- other fixed assets	53,402	0
fixed assets under construction	0	0
Advances for tangible fixed assets under construction	0	0
Total	634,681	716,598

Balance sheet fixed assets (ownership structure)	31.12.2022	31.12.2021
a) owned	398,034	306,144
b) used under a rental agreement, tenancy agreement or another agreement, including lease agreement	236,647	410,454
Total	634,681	716,598

Note No. 4: Change in fixed assets

Specification	Advances for tangible fixed assets under construction	Buildings, premises, right to premises and civil engineering works	Technical equipment and machines	Vehicles	Other fixed assets	Total
Gross value						
01.01.2022	0	209,351	432,057	680,795	13,398	1,335,602
Increases, including:	0	55,600	230,556	0	66,012	352,168
- improvement	0	55,600	687	0	23,568	79,855
- purchase	0	0	229,869	0	42,444	272,313
Decreases, including:	0	0	0	0	0	0
31.12.2022	0	264,951	662,613	680,795	79,410	1,687,770
Depreciation						
01.01.2022	0	50,866	284,398	270,342	13,398	619,003
Increases, including:	0	25,825	221,843	173,807	12,611	434,085
- amortisation and depreciation		25,825	221,843	173,807	12,611	434,085
Decreases	0	0	0	0	0	0
31.12.2022	0	76,691	506,241	444,149	26,008	1,053,089
Net value						0
01.01.2022	0	158,486	147,659	410,454	0	716,598
31.12.2022	0	188,261	156,372	236,647	53,402	634,681

Specification	Advances for tangible fixed	Buildings, premises, right to	Technical equipment and machines	Vehicles	Other fixed assets	Total
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	assets under construction	premises and civil engineering works				
Gross value						
01.01.2021	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
31.12.2021	0	209,351	432,057	680,795	13,398	1,335,602
Depreciation	0					
01.01.2021	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
31.12.2021	0	50,866	284,398	270,342	13,398	619,003
Net value						
01.01.2021	0	26,243	114,572	584,261	0	725,076
31.12.2021	0	158,486	147,659	410,454	0	716,598

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 31.12.2022	9,581,771	7,979,140	0	1,602,631
R&D expenses as at 31.12.2021	8,253,434	7,377,099	0	876,334

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 quantity 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 completed development works, the period of write-downs may not exceed 5 years.

Note No. 6: Values of land with perpetual usufruct

In the reported period the Company has not been 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 2022 the Company leased office premises constituting its registered office together with parking spaces. The usable area of the premises was 381.69 m2. The rental fee in 2022 amounted to PLN 301,635.15 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

As at the balance sheet date of 31.12.2022 the Company did not hold any securities.

Note No. 9: Long-term receivables

Long-term receivables:	31.12.2022	31.12.2021
From related parties	0	0

From other entities in which the entity has an equity interest	0	0
From other entities, including:	2,933	2,904
a) from other entities	2,933	2,904
- from deposits	2,933	2,904
Total net long-term receivables	2,933	2,904
Revaluation write-offs on receivables	0	0
Total gross long-term receivables	2,933	2,904

As at 31.12.2022 all long-term receivables were denominated in PLN.

Change in long-term receivables (by title)	31.12.2022	31.12.2021
a) opening balance	2,904	0
b) increase (due to)	29	2,904
- deposits	29	2,904
c) decrease (due to)	0	0
d) closing balance	2,933	2,904

Note No. 10: Deferred tax assets

Specification	31.12.2022	31.12.2021
- unpaid social security contributions, employee capital plans	1,017	582
- unpaid payroll	7,682	0
- balance sheet valuation	2,133	2,694
costs of audits	4,050	3,397
- leasing	9,734	16,047
- bonuses for the management board	141,037	109,854
Total	165,653	132,573

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

- unpaid social security contributions, employee capital plans	1 year
- unpaid payroll	1 year
- balance sheet valuation	1 year
costs of audits	1 year
- leasing	1 to 2 years
- bonuses for the management board	1 year

Note No. 11: Changes in deferred tax assets

	As at 31.12.2022			As at 31.12.2021		
	Amount of temporary differences	Tax rate	Amount of asset	Amount of temporary differences	Tax rate	Amount of asset
Opening balance (related to financial result)	2,107,679		132,573	1,735,443		113,846
Decreases	2,107,679		132,573	1,735,443		113,846
- asset for statements audit	54,000	6.29%	3,397	38,000	6.56%	2,493
- asset for tax losses to be settled	1,746,480	6.29%	109,854	1,343,425	6.56%	88,129
- asset for costs of vehicles	255,126	6.29%	16,047	354,018	6.56%	23,224
- 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 tax losses to be settled	0		0	0		0
- effect of tax rate change	0		0	0		0
Increases	2,568,706		165,653	2,107,679		132,573
- asset for unpaid social security contributions, employee capital plans	15,771	6.45%	1,017	9,246	6.29%	582
- asset for unpaid payroll	119,119	6.45%	7,682	0		0

- asset for balance sheet valuation	33,075	6.45%	2,133	42,827	6.29%	2,694
- asset for statements audit	62,800	6.45%	4,050	54,000	6.29%	3,397
- asset for costs of vehicles	150,941	6.45%	9,734	255,126	6.29%	16,047
- asset for bonuses for the management board	2,187,000	6.45%	141,037	1,746,480	6.29%	109,854
Closing balance (related to financial result)	2,568,706		165,653	2,107,679		132,573

Note No. 12: Long-term prepayments

Specification	31.12.2022	31.12.2021
Insurance	1,348	4,367
Guarantees	675	2,296
Licences	682	4,771
Cost related to the Chimera game	7,030,721	2,887,076
Cost related to the Green Hell console game	0	749,429
Total	7,033,426	3,647,939

Note No. 13: Inventory

Not present.

Note No. 14: Short-term receivables

Short-term receivables:	31.12.2022	31.12.2021
From related parties	0	0
From other entities in which the entity has an equity interest	0	0
From other entities, including:	8,070,048	8,835,797
a) trade receivables with a repayment term:	6,578,056	5,937,361
- up to 12 months	6,578,056	5,937,361
- over 12 months	0	0
b) receivables from tax, subsidy, customs, social security and other benefits	402,345	2,633,423
c) other (from other entities)	1,089,647	265,013
d) claimed at court	0	0
Total net short-term receivables	8,070,048	8,835,797
Revaluation write-offs on receivables	0	0
Total gross short-term receivables	8,070,048	8,835,797

Gross short-term receivables (currency structure)

Short-term receivables:	31.12.2022	31.12.2021
From related parties	0	0
From other entities in which the entity has an equity interest	0	0
From other entities, including:	8,070,048	8,835,797
a) trade receivables, including:	6,578,056	5,937,362
- from other entities:	6,578,056	5,937,362
- up to 12 months PLN	436,362	302,027
- up to 12 months USD	5,559,725	4,793,296
- up to 12 months EUR	581,968	842,039
b) receivables from tax, subsidy, customs, social security and other benefits PLN	402,345	2,633,423
c) other PLN	1,089,647	265,013
d) claimed at court	0	0
Total net short-term receivables	8,070,048	8,835,797
Revaluation write-offs on receivables	0	0
Total gross short-term receivables	8,070,048	8,835,797

Trade receivables (gross)

Trade receivables (gross) – with remaining repayment period from the balance sheet date:	31.12.2022	31.12.2021

a) up to 1 month	1,371,783	1,331,655
b) from 1 month to 3 months	5,126,453	4,605,258
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	79,819	448
Total trade receivables (gross)	6,578,056	5,937,361
g) revaluation write-offs on trade receivables	0	0
Total trade receivables (net)	6,578,056	5,937,361

Analysis of the maturity of trade receivables	31.12.2022	31.12.2021
Overdue receivables, including:	79,819	448
a) up to 1 month	59,625	381
b) from 1 month to 3 months	20,194	68
c) from 3 month to 12 months	0	0
e) over 1 year	0	0
Current receivables	6,498,236	5,936,913
Total gross receivables	6,578,056	5,937,361
Write-offs	0	0
Total net receivables	6,578,056	5,937,361

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 80.553.425, shown under "Other short-term financial assets" as at the balance sheet date of 31 December 2022, refers to deposits made by the Company with Santander Bank Polska S.A., with PLN 553,426 being the accrued interest on deposits.

Short-term financial assets	31.12.2022	31.12.2021
- cash at hand and at bank	5,487,771	6,706,984
- bank deposits	80,553,425	53,000,000
- short-term securities (bonds)	0	0
- other short-term financial assets (Forward contracts)	0	233,327
Total	86,041,196	59,940,310

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

Cash and other pecuniary assets as well as cash structure for the purposes of the cash flow statement	31.12.2022	31.12.2021
Cash and other pecuniary assets	86,041,196	59,706,984
Exchange differences from cash valuation as at the balance sheet date	-4,514	29,460
Accrued unpaid interest on deposits shown in cash and cash equivalents	-553,425	0
Total cash for the purposes of the cash flow statement	85,483,257	59,736,444

As of 31.12.2022 the Company had no funds in the VAT account referred to in Article 62a (1) of the Act of 29 August 1997 - Banking Law (Dz.U. of 2020, item 1896).

Note No. 17: Short-term prepayments

Short-term prepayments	31.12.2022	31.12.2021
Licences	148,984	145,282
Insurance	27,384	26,926
Interest on deposits	0	33,356
3ds Max single-user subscription	0	8,761
Other	1,620	1,620

Total	177,988	215,944
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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 31.12.2022

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
Total		X	679,436	679,436.00	x	x	x

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 31.12.2022

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 Salek	73,878	10.87%	73,878	10.87%
Tomasz Soból	73,752	10.85%	73,752	10.85%
TFI Allianz Polska S.A.	47,834	7.04%	47,834	7.04%
Quercus TFI S.A.	34,000	5.00%	34,000	5.00%
Shareholders with < 5% of votes at the General Meeting of Shareholders	288,732	42.50%	288,732	42.50%
Total	679,436	100.00%	679,436	100.00%

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.

The data concerning the number of shares held by Venture FIZ and TFI Allianz Polska S.A. were presented on the basis of the number of shares registered at the Extraordinary General Meeting of Shareholders of the Company held on 25 October 2022.

On 7 January 2022 in the current report no. 1/2022 the Company published a notification from Quercus Towarzystwo Funduszy Inwestycyjnych S.A. of an increase in its shareholdings and exceeding the 5% threshold of the total number of votes in the Company.

On 14 January 2022 in the current report no. 3/2022 the Company published a notification from Mr. Marek Soból of a decrease of his share in the total number of votes in the Company below the 5% threshold as a result of the sale transaction of the Company's shares on 5 October 2021.

On 25 January 2022 in the current report no. 4/2022 the Company published a notification from Quercus Towarzystwo Funduszy Inwestycyjnych S.A. of a decrease in its shareholdings and going below the 5% threshold of the total number of votes in the Company.

On 20 May 2022 in the current report no. 13/2022 the Company published a notification from Quercus Towarzystwo Funduszy Inwestycyjnych S.A. of an increase in its shareholdings and exceeding the 5% threshold of the total number of votes in the Company.

On 6 July 2022 in the current report no. 20/2022 the Company published a notification from Quercus Towarzystwo Funduszy Inwestycyjnych S.A. Of an increase in its shareholdings and exceeding the 5% threshold of the total number of votes in the Company.

b) as at the date 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%
TFI Allianz Polska S.A.	47,834	7.04%	47,834	7.04%
Shareholders with < 5% of votes at the General Meeting of Shareholders	322,732	47.50%	322,732	47.50%
Total	679,436	100.00%	679,436	100.00%

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.

The data concerning the number of shares held by Venture FIZ and TFI Allianz Polska S.A. were presented on the basis of the number of shares registered at the Extraordinary General Meeting of Shareholders of the Company held on 25 October 2022.

In the current report no. 2/2023 of 7 January 2023 the Issuer published a notification from Quercus Towarzystwo Funduszy Inwestycyjnych S.A. of a decrease in its shareholdings below the 5% threshold of the total number of votes in the Company.

Note No. 21: Supplementary capital

Supplementary capital	31.12.2022	31.12.2021
- form the sale of shares above par	4,135,725	4,135,725
loss coverage from previous years established by law	-707,644	-633,894
established in accordance with the articles of association/agreement, over the statutory (minimum) amount	0	0
from contributions by shareholders	0	0
Total	3,428,081	3,501,831

Note No. 22: Reserve capital

Specification	31.12.2022	31.12.2021
Profit from previous years	39,837,808	25,135,731
From share-based payment	19,616,952	12,495,162
Total	59,454,760	37,630,894

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

Not present.

Note No. 24: Distribution of the net profit for the financial year 2021 and 2022

In the financial year ended 31 December 2022 the Company generated PLN 36,459,276.61 in net profit. As at the date of these Financial Statements the decisions of the Company's bodies on the distribution of profit for 2022 have not yet been taken.

On 7 June 2022 the Annual General Meeting of Company adopted a resolution no. 5 on the distribution of the net profit for the financial year 2022 in the amount of PLN 29,103,176.22 as follows:

- a) to allocate the net profit in the amount of PLN 14,607,874.00 to the payment of dividends to the Company's shareholders, i.e. In the amount of PLN 21.5 per share,
- b) to allocate the profit in the amount of PLN 14,495,302.22 to the Company's reserve capital with the possibility of future payment to shareholders.

The dividend was paid on 28 June 2022. The number of ordinary shares covered by the dividend was 679,436. There are no preference shares in the Company as to dividends.

Note No. 25: Change in other provisions

Provisions	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Opening balance	504,000.00	0
Release of provisions	0.00	0
Use of provisions	531,500.00	0
Creation of provisions	90,300.00	504,000
Closing balance, including:	62,800.00	504,000
- long-term, including:	0	0
- provisions for employee benefits	0.00	0
- other provisions	0.00	0
-short-term, including:	62,800.00	504,000
- provisions for employee benefits	0.00	0
- other provisions	62,800.00	504,000

Note No. 26: Changes in deferred tax provisions

	As at 31.12.2022			As at 31.12.2021		
	Amount of temporary differences	Tax rate	Amount of provision	Amount of temporary differences	Tax rate	Amount of provision
Opening balance (related to financial result)	1,415,839	6.45%	89,056	1,661,660	6.56%	109,005
Increases	2,345,448		151,255	1,143,038		71,897
provision for expenditures not recognised in the	529,999	6.45%	34,179	876,334	6.29%	55,121

financial result - Green Hell R&D works						
provision for Green Hell - SOA1&2 consoles	1,072,633	6.45%	69,173	0		0
provisions for balance sheet valuation	6,565	6.45%	423	17	6.29%	1
provision for interest income	553,454	6.45%	35,692	33,360	6.29%	2,098
provision for derivative instrument valuation	0		0	233,327	6.29%	14,676
provision for future income	182,798	6.45%	11,788	0		0
Decreases	1,258,596		78,916	1,388,859		91,846
release of provision for expenditures	876,334	6.29%	55,121	1,273,301	6.56%	83,529
release of provision for undepreciated value of vehicles	115,558	6.29%	7,269	115,558	6.56%	7,581
provision for derivative instrument valuation	233,327	6.29%	14,676	0		0
provision for interest income	33,360	6.29%	2,098	0		0
provisions for balance sheet valuation	17	6.29%	1			
effect of tax rate change			-250	0		737
Closing balance (related to financial result)	2,502,691	6.45%	161,395	1,415,839	6.29%	89,056

Items included in the deferred tax liability:

Specification	31.12.2022	31.12.2021
- undepreciated value of vehicles	10,140	17,159
- provision for expenditures not recognised in the financial result - Green Hell R&D works	34,179	55,121
- provision for Green Hell - SOA1&2 consoles	69,173	0
- provisions for balance sheet valuation	423	1
- provision for interest income	35,692	2,098
- provision for derivative instrument valuation	0	14,676
- provision for future income	11,788	0
Total	161,395	89,056

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

- undepreciated value of vehicles	1 to 2 years
- expenditures on Green Hell R&D works	1 to 2 years
- expenditures on Green Hell - SOA1&2 consoles (01GHKO)	1 to 3 years
- provisions for balance sheet valuation	1 year
- provision for interest income	1 year
- provision for future income	1 year

Note No. 27: Long-term liabilities

Long-term liabilities	31.12.2022	31.12.2021
To related parties	0	0
To other entities in which the entity has an equity interest	0	0
to other entities, including:	64,823	228,176
- to other entities:	64,823	228,176
- lease liabilities	64,823	228,176
Total long-term liabilities	64,823	228,176

Long-term liabilities with remaining repayment period from the balance sheet date	31.12.2022	31.12.2021
a) from 1 to 3 years	64,823	228,176
b) from 3 to 5 years	0	0
c) over 5 years	0	0
Total long-term liabilities	64,823	228,176

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

As at 31.12.2022 all long-term receivables were denominated in PLN.

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

Specification	31.12.2022	31.12.2021
Credits and loans	0	0
Arising from issuance of debt securities	0	0
Other financial liabilities	162,324	155,671
Trade liabilities:	897,649	531,338
- up to 12 months	897,649	531,338
Received prepayments for deliveries	0	0
Bill of exchange liabilities	0	0
Tax, customs, social insurance liabilities	76,470	66,406
- settlements with the Tax Office, Social Insurance Institution	76,470	66,406
Payroll liabilities	2,281,542	1,746 480
Other	0	0
Total	3 417 985	2,499 895

As at 31.12.2022 all short-term receivables were denominated in PLN.

Note No. 29: Accruals

Not present.

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 2022, 19,928 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	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Net revenues from sales of products:	54,910,256	46,128,029
- from related parties	0	0
- from other entities in which the entity has an equity interest	0	0
- from other entities	54,910,256	46,128,029
Total	54,910,256	46,128,029

Territorial structure	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Net revenues from sales of products:	54,910,256	46,128,029
- Country	10,831,576	4,428,109

- from related parties	0	0
- from other entities in which the entity has an equity interest	0	0
- from other entities	10,831,576	4,428,109
- Export	44,078,680	41,699,919
- from related parties	0	0
- from other entities in which the entity has an equity interest	0	0
- from other entities	44,078,680	41,699,919
Total	54,910,256	46,128,029

Revenue - currency structure	01.01.2022 - 31.12.2022		01.01.2021 - 30.12.2021	
	PLN Amount	Share %	PLN Amount	Share %
USD	46,995,587	85.59%	35,390,495	76.72%
EUR	5,436,073	9.90%	6,309,424	13.68%
PLN	2,478,597	4.51%	4,428,109	9.60%
Total	54,910,256	100.00%	46,128,029	100.00%

Note No. 33: Other operating revenues

Specification		01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
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	18,024	14,518
	- roundings	8	9
	- re-invoices	18,000	13,955
	- other	16	555
Total		18,024	14,518

Note No. 34: Other operating expenses

Specification		01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
I.	Loss on disposal of non-financial fixed assets	0	0
II.	Revaluation of non-financial assets	0	0
III.	Other operating expenses	210,847	17,791
	- roundings	5	6
	- subsidies	181,759	15,000
	- re-invoices	0	455
	- other	29,083	2,330
Total		210,847	17,791

Note No. 35: Financial revenues

Specification		01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
I.	Dividends and profit-sharing	0	0
II.	Interest	3,226,239	33,360
	- from other parties, including:	3,226,239	33,360
	- from other entities	3,226,239	33,360
III.	Gain on disposal of financial assets:	0	70,628
IV.	Revaluation of financial assets:	0	233,327
V.	Other	801,843	895,641
	- exchange differences	801,843	895,641
	- realised	716,396	932,619
	- unrealised	85,447	-36,978
	- other revenues	0	0

Total	4,028,082	1,232,955
Specification	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Accrued and unrealized interest related to:	553,425	33,356
Bank deposits	0	33,356
- up to 3 months	553,425	0
- from 3 months to 12 months	0	0
- over 12 months	29	4
Other long-term receivables	0	0
- up to 3 months	0	0
- from 3 months to 12 months	29	4
- over 12 months	553,454	33,360
Total accrued and unrealized interest		
Accrued and realized interest related to:	149,039	0
Cash in the bank (bank interest)	2,101,527	0
Bank deposits	422,220	0
Bonds	2,672,785	0
Total interest accrued and paid	3,226,239	33,360

Note No. 36: Financial expenses

Specification	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
I. Interest	22,571	36,862
- other interest	22,571	36,862
- to other entities	22,571	36,862
II. Loss on disposal of financial assets	235,463	0
III. Revaluation of investments	233,327	0
IV. Other	0	0
- exchange differences	0	0
- realised		
- unrealised		
- other costs	0	0
Total	491,360	36,862

The amount of PLN 235,463 shown under loss on disposal of financial assets is the result of the settlement of FORWARD transactions and the amount of PLN 233,327 shown under revaluation of investment assets is the result of the reversal of the valuation of open FORWARD transactions as at the balance sheet date.

Specification	2022	2021
Accrued and unrealised interest related to:		
Financial liabilities held for trading	0	0
Other short-term financial liabilities	6,478	13,048
- up to 3 months	2,239	3,843
- from 3 to 12 months	4,239	9,205
- over 12 months	0	0
Other long-term financial liabilities	798	7,276
- up to 3 months	561	2,239
- from 3 to 12 months	237	4,239
- over 12 months	0	798
Total accrued and unrealised interest	7,276	20,324
Accrued and realised interest	22,207	13,773

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

Specification	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
A Gross profit (loss) for the year	39,595,270	31,389,221
B Tax-exempt revenues (permanent differences between the profit / loss for accounting purposes and the income / loss for tax purposes)	0	0
C Non-taxable income for the current year	2,199,492	991,988
D Taxable income for the current year, recognised in accounting books for the previous years	125,388	0
E Non-deductible expenses (permanent differences between the profit / loss for accounting purposes and the income / loss for tax purposes)	7,873,630	6,644 401
Costs of the incentive scheme	7,121,789	6,464,121
Other	751,841	180,279
F Non-deductible expenses for the current year	9,009,289	5,828 109
Expenditures on games (accounting depreciation)	602,041	1,256,775
Bonuses for the members of the management board to be paid in the following year	2,187,000	1,746,480
Costs allocated to Chimera project for IP BOX	4,237,631	1,917,554
Other	1,982,617	907,300
G Deductible expenses for the current year	3,289,962	4,061,787
Expenditures on games (tax depreciation)	1,129,788	2,331,659
Bonuses for the members of the management board paid in the current year	1,746,480	1,343,425
Tax costs of lease instalments	109,694	102,207
Retained earnings	250,000	246,496
Auditor's remuneration	54,000	38,000
H Losses from previous years	0	0
I Other changes in tax base	181,759	15,000
J Income tax base	50,932,365	38,792,956
Tax base at the basic rate	3,402,766	2,750,530
Income tax rate	19%	19%
Tax base at the preferential rate (IP BOX)	47,529,599	36,042,426
Income tax rate	5%	5%
K Income tax	3,023,006	2,324,721
Tax at source	-1,602 469	-1,412 253
Tax to be paid	1,420 537	912,468

Current income tax	31.12.2022	31.12.2021
- recognised in profit and loss account	3,096 734	2,324,721
- on adjustment of current tax for previous years	-73,728	0
- concerning items that have decreased or increased equity	0	0
- concerning items that have decreased or increased goodwill or negative goodwill	0	0

Deferred income tax, recognised in profit and loss account	31.12.2022	31.12.2021
- decrease (increase) due to origination and reversal of temporary differences	39,260	-38,676

Total amount of deferred tax	31.12.2022	31.12.2021
- recognised in equity	0	0
- recognised in goodwill or negative goodwill	0	0

Income tax, recognised in profit and loss account concerning	31.12.2022	31.12.2021
- 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 2022, 19,928 such share entitlements were taken into account.

Note No. 39: Explanations to the cash flow statement

Specification	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
1. Amortisation and depreciation	1,041,559	1,597,873
amortisation of intangible assets	607,473	1,304,195
depreciation of fixed assets	434,085	293,678
2. Exchange gains (losses)	-33,975	13,585
3. Interest and profit sharing (dividend) consist of:	-920,081	-19,583
Received interest	33,356	0
Accrued interest	-975,644	-33,356
Interest paid on leasing agreements	22,207	13,773
4. Change in provisions results from the following items:	-368,861	484,051
Deferred tax provision	72,339	-19,949
Other provisions	-441,200	504,000
5. Change in inventory results from the following items:	0	0
Finished products	0	0
Advances for services	0	0
6. Change in receivables results from the following items:	-765,720	2,231 659
change in long-term prepayments and accruals	29	2,904
change in short-term receivables resulting from the balance sheet	-765,749	2,228,754
7. Change in short-term liabilities, excluding credits and loans, results from the following items:	911,436	622,646
change in short-term liabilities resulting from the balance sheet	911,436	622,646
8. Change in prepayments and accruals results from the following items:	-19,750	-224,473
change in long-term prepayments and accruals	8,729	-95,492
Deferred tax asset	-33,080	-18,727
change in short-term prepayments and accruals	4,600	-72,254
change in accruals	0	-38,000
9. Capital expenditure	108,656,847	3,670 737
Acquisition of property, plant and equipment	352,168	285,201
Intangible assets, including development costs	4,726,899	3,385 536
Purchase of bonds	23,577,780	0
Established deposits over 3 months	80,000,000	0
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 7,121,789.00, 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
	31.12.2022	31.12.2021	31.12.2022	31.12.2021			
Financial assets for trading, including:	0	233,327	0	233,327		0	0
- derivatives	0	233,327	0	233,327	fair value	0	0

- shares in entities listed on an active market						0	0
- shares in other entities						0	0
Financial assets available for sale, including:						0	0
- shares in entities listed on an active market						0	0
- shares in entities not listed on an active market						0	0
- shares in subsidiaries						0	0
Financial assets held to maturity, including:	80,553,425	53,000,000	80,553,425	53,000,000		0	0
- bonds held						0	0
- other cash	0	53,000,000	0	53,000,000	adjusted purchase price		
- other short-term financial assets	80,553,425	0	80,553,425		adjusted purchase price	0	0
Loans granted and own receivables, including:	6,578,056	5,937,361	6,578,056	5,937,361		0	0
- loans granted						0	0
- trade receivables	6,578,056	5,937,361	6,578,056	5,937,361	adjusted purchase price	0	0
Cash	5,487,771	6,706,984	5,487,771	6,706,984	adjusted purchase price	0	0
Financial liabilities held for trading						0	0
Other financial liabilities, including:	897,649	531,338	897,649	531,338	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 measured at adjusted purchase price. For receivables, liabilities and cash assets with a maturity of up to 12 months the effect of discounting is assumed to be immaterial and measured at the amount required to be paid, applying 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 included the market valuation of FORWARD transactions entered into by the Company. The Company recognised the value of these instruments in its books based on the valuation prepared by the bank with which these transactions were entered into. The conclusion of the a/m transactions carried currency risk. By the end of 2022 all FORWARD transactions have been settled.

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 31.12.2022 the Company reported a loss of PLN 235,463 and a loss on revaluation of PLN 233,327.

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 (three major distributors generated nearly 80% of sales revenues in 2022).

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.

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
01.01.2022– 31.12.2022				
1 remuneration for the functions performed	2,582,950	0	316,200	2,899,150
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	810,000	0	0	810,000
Total	3,392,950	0	316,200	3,709,150

Specification	Management bodies	Administrative bodies	Supervisory bodies	Total
01.01.2021– 31.12.2021				
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
Total		2,590,211	0	212,543	2,802,754

The amount of remuneration for the functions performed includes the remuneration paid to the members of the Management Board in 2022, remuneration for their appointment in the amount of PLN 810,000, bonuses for 2021 in the amount of PLN 1,746,480 and fringe benefits in the amount of PLN 26,470.

The remuneration of members of the Management Board recognised above does not include the bonuses for 2022 in the amount of PLN 2,187,000, calculated on the basis of the Company's net profit generated in this period, which will be paid after approval of the financial statements by the General Meeting of Shareholders. As of 31 December 2022 the liability on this account has been recognised in the balance sheet under payroll liabilities. In accordance with the resolution of the Company's Supervisory Board of 8 March 2023 the amount will be divided equally between all members of the Management Board.

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

In 2022 the Company covered the costs of medical insurance for each Member of the Management Board and their closest relatives in the amount of PLN 10,558.10.

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	4.4018	252/A/NBP/2022	30.12.2022
2	Trade receivables	EUR	4.6899	252/A/NBP/2022	30.12.2022

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

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 2022 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	4,928
Tranche 2	15,000
Total	19,928

Recognition of the Scheme as of 31 December 2022

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 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 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 grant, 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.	Grant dates	25 August 2020
		19 November 2020
		19 April 2021
		22 July 2021
		3 December 2021
		2 March 2022
		25 March 2022
		26 September 2022

2.	Vesting date	30 June 2023
3.	Closing price of the company's shares on the grant date (PLN):	
	• 25 August 2020	1,150
	• 19 November 2020	984
	• 19 April 2021	940
	• 22 July 2021	810
	• 3 December 2021	810
	• 2 March 2022	731
	• 25 March 2022	738
	• 26 September 2022	617
4.	Issue price of shares under the Scheme (PLN):	
	• Tranche 1	1.00
	• Tranche 2	186.20
5.	Annual volatility of share price:	
	• 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%
	• 2 March 2022	40.59%
	• 25 March 2022	39.17%
	• 26 September 2022	45.76%
6.	Risk-free rate:	
	• 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%
	• 2 March 2022	4.57%
	• 25 March 2022	5.75%
	• 26 September 2022	7.62%
7.	Number of shares under the Scheme:	37,000
8.	Number of rights granted and not exercised as of 31 December 2021	19,928
9.	Averaged fair value of rights granted under the Scheme (PLN):	
	• Tranche 1	960.56
	• Tranche 2	992.22
10.	Total cost of the Scheme (PLN) recognised in accounting books as at:	
	• 31 December 2020	6,031,041
	• 31 December 2021	12,495,162
	• 31 December 2022	19,616,952

Note No. 47: Other relevant information

In the reporting period the Issuer does not identify any material information on the Company other than that described herein.

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 for the period ended on 31 December 2022.

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 Hell'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 in 2022 and should not have a significant impact on the Company's financial result in the following years, 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

Expenditures on non-financial fixed assets	31.12.2022
Capital expenditures incurred:	5,079,067



- including on environmental protection	0
Planned in the next 12 months from the balance sheet date:	7,500,000
- 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 18 May 2021 the Company concluded with Grant Thornton Polska Sp. z o.o. Sp.k. (now Grant Thornton Polska P.S.A.) an agreement on the services of auditing the separate financial statements prepared for the period from 1 January 2021 to 31 December 2021 and for the period from 1 January 2022 to 31 December 2022, reviewing the separate interim financial statements prepared for the period from 1 January 2021 to 30 June 2021 and for the period from 1 January 2022 to 30 June 2022 and preparing a report on the review as well as assessing the remuneration reports of the Management Board and the Supervisory Board for the period from 1 January 2021 to 31 December 2021 and for the period from 1 January 2022 to 30 June 2022.

Specification	01.01.2022 -31.12.2022	01.01.2021 -31.12.2021
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	45,000
Other assurance services	37,000	37,000
Tax advisory services	0	0
Other services	0	0
Total	82,000	82,000

The amount of PLN 37,000 recognised under "Other assurance services" includes the remuneration of the audit firm for the review of interim financial statements for the period from 1 January 2022 to 30 June 2022 in the amount of PLN 32,000 and the assessment of the remuneration report of the Management Board and the Supervisory Board for the period from 1 January 2022 to 31 December 2022.

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.

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 a breakdown into fair value hedging, cash flow hedging and hedging of net investment in foreign operations

In terms of financial risk management, the Company identifies credit risks related to trade receivables and cash. In terms of trade receivables credit risk is related to conducting sales with deferred payment term 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 relevant sales period. In 2022 nearly 80% 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.

Warsaw, 19 April 2023

Krzysztof Kwiatek

President of the Board
Creepy Jar S.A.

Krzysztof Sałek

Member of the Board
Creepy Jar S.A.

Tomasz Soból

Member of the Board
Creepy Jar S.A.

Grzegorz Piekart

Member of the Board
Creepy Jar S.A.

Małgorzata Boral

Chief Accountant

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