



QUARTERLY REPORT
Carbon Studio Spółka Akcyjna

Q1 2025

Chorzów, May 15, 2025

1. General information

1.1. Basic information

Name	Carbon Studio Spółka Akcyjna
Legal form	Joint Stock Company
Registered office address	street Brzozowa 30/7, 41-506 Chorzów
E-mail	contact@carbonstudio.pl
Website	www.carbonstudio.pl
Nr KRS	0000731999
REGON	362444676
NIP	6272742836

1.2. The Company's share capital

The Company's share capital as of May 15, 2025 amounts to PLN 194,855.00 and is divided into:

- 1,167,500 series A bearer shares,
- 107,500 series B bearer shares,
- 63.750 series C bearer shares,
- 127,500 series D bearer shares,
- 30,000 series E bearer shares,
- 452,300 series F bearer shares

with a nominal value of PLN 0.10 each.

1.3. Company Authorities

The Company's governing bodies are:

- General Meeting,
- Supervisory Board,
- Management.

1.3.1. Company Management Board

The Company's Management Board consists of three people. It includes:

- Błażej Szaflik as President of the Management Board,
- Aleksander Caban as Member of the Management Board,

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- Karolina Koszuta - Caban as a Member of the Management Board.

1.3.2. Information on changes in the composition of the Company's Management Board

In the period from January 1, 2025 to March 31, 2025, there were no changes in the composition of the Company's Management Board.

1.3.3. Supervisory Board

The Supervisory Board exercises constant supervision over the Company's activities. The Company's Supervisory Board consists of:

- Jakub Kabza as Chairman of the Supervisory Board,
- Remigiusz Kopoczek as Member of the Supervisory Board,
- Bartosz Zieliński as Member of the Supervisory Board,
- Andrzej Szurek as Member of the Supervisory Board.
- Nor Sokołowska as a Member of the Supervisory Board

1.3.4. Information on changes in the composition of the Supervisory Board

In the period from January 1, 2025 to March 31, 2025, there were no changes in the composition of the Company's Supervisory Board.

1.4. Changes in share capital

In the period from January 1, 2025 to March 31, 2025, there were no changes in the Company's share capital.

1.5. Own shares

Carbon Studio S.A. owns 6 series F bearer shares in connection with the registration on April 24, 2024 by the Registry Court of changes to the Issuer's Statute resulting from the resolutions adopted by the Extraordinary General Meeting of Shareholders on December 29, 2023, including the registration of the increase in the Issuer's share capital related to the merger of Carbon Studio with the subsidiary Iron VR S.A.

In the period from January 1, 2025 to March 31, 2025, the Company did not purchase its own shares.

2. Quarterly condensed financial statements

2.1. Balance

ASSETS		Condition: 31.03.2025	Condition: 31.03.2024
A.	Fixed assets	7 479 034,40	9 794 012,70
I.	Intangible assets	7 214 172,41	9 280 306,41
	1. Costs of completed development works	7 213 383,53	9 276 402,01
	2. Company value	0,00	0,00
	3. Other intangible assets	788,88	3 904,40
	4. Advance payments for intangible assets	0,00	0,00
II.	Property, plant and equipment	264 861,99	482 114,29
	1. Fixed assets	264 861,99	482 114,29
	a. land (including the right to perpetual usufruct of land)	0,00	0,00
	b. buildings, premises, rights to premises and civil engineering facilities	0,00	0,00
	c. technical devices and machines	248 031,79	443 978,43
	d. means of transport	0,00	0,00
	e. other fixed assets	16 830,20	38 135,86
	2. Fixed assets under construction	0,00	0,00
	3. Advance payments for fixed assets under construction	0,00	0,00
III.	Long-term receivables	0,00	0,00
	1. From related entities	0,00	0,00
	2. From other entities in which the entity owns capital commitment	0,00	0,00
	3. From other units	0,00	0,00
IV.	Long-term investments	0,00	0,00
	1. Real estate	0,00	0,00
	2. Intangible assets	0,00	0,00
	3. Long-term financial assets	0,00	0,00
	a. in subsidiaries and jointly controlled entities not valued using the full consolidation method or the proportional method	0,00	0,00
	b. in subsidiaries, jointly controlled entities and associates valued using the equity method	0,00	0,00
	c. in other entities in which the entity has involvement in the capital	0,00	0,00
	d. in other units	0,00	0,00
	4. Other long-term investments	0,00	0,00

V.	Long-term accruals	0,00	31 592,00
	1. Deferred tax assets	0,00	31 592,00
	2. Other accruals	0,00	0,00
B.	Current assets	4 818 094,38	6 435 121,73
I.	Reserves	0,00	0,00
	1. Materials	0,00	0,00
	2. Semi-finished products	0,00	0,00
	3. Finished products	0,00	0,00
	4. Goods	0,00	0,00
	5. Advance payments for supplies and services	0,00	0,00
II.	Short-term receivables	285 396,03	770 838,72
	1. Receivables from related entities	0,00	0,00
	a. for supplies and services, with the repayment period:	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	0,00
	b. other	0,00	0,00
	2. Receivables from other entities in which the entity has capital involvement	0,00	0,00
	a. for supplies and services, with the repayment period:	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	0,00
	b. other	0,00	0,00
	3. Receivables from other units	285 396,03	770 838,72
	a. for supplies and services, with the repayment period:	164 149,94	439 970,21
	- up to 12 months	164 149,94	439 970,21
	- over 12 months	0,00	0,00
	b. due to taxes, customs duties, social and health insurance and other public law titles	80 652,40	287 826,87
	c. other	40 593,69	43 041,64
	d. judicial investigation	0,00	0,00
III.	Short-term investments	184 746,91	132 637,63
	1. Short-term financial assets	184 746,91	132 637,63
	a. in related entities	0,00	0,00

-	shares or stocks	0,00	0,00
-	other securities	0,00	0,00
-	loans granted	0,00	0,00
-	other short-term financial assets	0,00	0,00
b.	in other units	0,00	0,00
-	shares or stocks	0,00	0,00
-	other securities	0,00	0,00
-	loans granted	0,00	0,00
-	other short-term financial assets	0,00	0,00
c.	cash and other monetary assets	184 746,91	132 637,63
-	cash in hand and on accounts	184 746,91	132 637,63
-	other means in cash	0,00	0,00
-	other monetary assets	0,00	0,00
2.	Other short-term investments	0,00	0,00
IV.	Short-term accruals	4 347 951,44	5 531 645,38
C.	Share capital contributions due	0,00	0,00
D.	Own shares (shares).	0,00	0,00
TOTAL ASSETS		12 297 128,78	16 229 134,43

LIABILITIES	Condition: 31.03.2025	Condition: 31.03.2024
A. Own capital (fund).	7 660 038,27	10 385 085,38
I. Core capital (fund).	194 855,00	240 085,00
II. Supplementary capital (fund), including:	9 988 393,36	11 578 523,90
- surplus of sales/issue value over the nominal value of shares (shares)	7 971 292,50	7 971 292,50
III. Revaluation capital (fund), including:	448 897,71	405 550,64
- due to fair value revaluation	0,00	0,00
IV. Other reserve capitals (funds), including:	0,00	0,00
- created in accordance with the company's articles of association (statutes).	0,00	0,00
- for own shares (shares).	0,00	0,00
V. Profit (loss) from previous years	-2 201 376,73	-1 311 064,53
VI. Net profit (loss).	-770 731,07	-528 009,63
B. Liabilities and provisions for liabilities	4 637 090,51	5 844 049,05
I. Provisions for liabilities	0,00	161,00
1. Deferred income tax provision	0,00	161,00
2. Provision for pension and similar benefits	0,00	0,00
- long term	0,00	0,00
- short-term	0,00	0,00
3. Other reserves	0,00	0,00
- long term	0,00	0,00
- short-term	0,00	0,00
II. Long-term liabilities	1 646 803,28	841 180,00
1. Towards related entities	0,00	0,00
2. To other entities in which the entity owns capital commitment	0,00	0,00
3. Towards other units	1 646 803,28	841 180,00
a. credits and loans	1 646 803,28	841 180,00
b. due to the issue of debt securities	0,00	0,00
c. other financial obligations	0,00	0,00
d. bill of exchange liabilities	0,00	0,00
e. other	0,00	0,00

III. Short-term liabilities	1 129 039,56	1 974 994,80
1. Liabilities to related entities	0,00	0,00
a. for supplies and services, with the maturity period	0,00	0,00
- up to 12 months	0,00	0,00
- over 12 months	0,00	0,00
b. other	0,00	0,00
2. Liabilities to other units in which the entity has equity involvement	0,00	0,00
a. for deliveries and services, with a due date	0,00	0,00
- up to 12 months	0,00	0,00
- over 12 months	0,00	0,00
b. other	0,00	0,00
3. Liabilities to other entities	1 129 039,56	1 974 994,80
a. credits and loans	642 920,04	1 418 335,72
b. from the issuance of debt securities	0,00	0,00
c. other financial obligations	0,00	0,00
d. for supplies and services, with the maturity period	190 988,33	325 335,05
- up to 12 months	190 988,33	325 335,05
- over 12 months	0,00	0,00
e. advance payments received for supplies and services	0,00	0,00
f. bill of exchange liabilities	0,00	0,00
g. due to taxes, customs duties, insurance and other public law titles	138 268,56	34 159,24
h. due to remuneration	156 862,63	0,00
i. other	0,00	197 164,79
4. Special funds	0,00	0,00
IV. Accruals	1 861 247,67	3 027 713,25
1. Negative goodwill	0,00	0,00
2. Other accruals	1 861 247,67	3 027 713,25
- long term	0,00	0,00
- short term	1 861 247,67	3 027 713,25
TOTAL LIABILITIES	12 297 128,78	16 229 134,43

2.2. Profit and loss account

Profit and loss account		For the period 01.01.2025- 31.03.2025 PLN	For the period 01.01.2024- 31.03.2024 PLN
A.	Net sales revenues and equivalents,	679 575,69	877 116,05
	- from related entities	0,00	0,00
	I. Net revenues from product sales	679 575,69	877 116,05
	II. Change in product status (increase - positive value, decrease - negative value)	0,00	0,00
	III. The cost of producing products for the entity's own needs	0,00	0,00
	IV. Net revenues from the sale of goods	0,00	0,00
B.	Cost of operating activities	1 664 635,10	1 594 977,26
	I. Depreciation	1 231 774,94	1 142 222,96
	II. Material and energy consumption	16 657,21	10 100,10
	III. External services	256 412,18	253 400,59
	IV. Taxes and fees, including:	23 006,01	12 379,40
	V. Remuneration	129 054,90	152 352,80
	VI. Social security and other benefits	4 469,48	8 113,37
	VII. Other costs by type	3 260,38	16 408,04
	VIII. Value of goods sold	0,00	0,00
C.	Sales result (A-B)	-985 059,41	-717 861,21
D.	Other operating income	291 155,18	303 410,97
	I. Gain on disposal of non-financial assets durable	1 000,00	4 594,22
	II. Subsidies	288 995,58	288 995,58
	III. Revaluation of non-financial assets	0,00	0,00
	IV. Other operating income	1 159,60	9 821,17
E.	Other operating costs	0,24	6 725,41
	I. Loss on disposal of non-financial assets durable	0,00	0,00
	II. Revaluation of non-financial assets	0,00	0,00
	III. Other operating costs	0,24	6 725,41
F.	Operating result (C+D-E)	-693 904,47	-421 175,65

G. Financial revenues	1,66	39 015,95
I. Dividends and profit shares, incl	0,00	0,00
a. from related entities, including:	0,00	0,00
- in which the entity has a capital commitment	0,00	0,00
b. from other units, including:	0,00	0,00
- in which the entity has equity involvement	0,00	0,00
II. Interest, including:	0,00	0,00
- from related entities	0,00	0,00
III. Profit on disposal of financial assets, including:	0,00	0,00
- in related entities	0,00	0,00
IV. Investment value update	0,00	0,00
V. Other	1,66	39 015,95
H. Financial costs	76 828,26	145 849,93
I. Interest, including:	50 304,12	31 906,77
- for related entities	0,00	0,00
II. Loss on disposal of financial assets, including:	0,00	0,00
- in related entities	0,00	0,00
III. Investment value update	0,00	0,00
IV. Inside	26 524,14	113 943,16
I. Gross profit (loss) (F+G-H)	-770 731,07	-528 009,63
J. Income tax	0,00	0,00
K. Other mandatory reductions in profit (increases in loss)	0,00	0,00
L. Net profit (loss) (I-J-K)	-770 731,07	-528 009,63

2.3. Cash flow statement

CASH FLOW STATEMENT	For the period	For the period
	01.01.2025- 31.03.2025 PLN	01.01.2024- 31.03.2024 PLN
A CASH FLOWS FROM OPERATING ACTIVITIES		
I. Net profit (loss).	-770 731,07	-528 009,63
II. Corrections together	1 074 463,94	-97 181,01
1. Depreciation	1 231 774,94	1 142 222,96
2. Profits (losses) due to exchange rate differences	0,00	0,00
3. Interest and shares in profits (dividends)	50 304,12	0,00
4. Profit (loss) from investing activities	-1 000,00	531,17
5. Change in reserves	0,00	-13 869,00
6. Change in inventory	0,00	0,00
7. Change in the balance of receivables	481 067,42	-50 562,01
8. Change in the status of short-term liabilities, z except loans and credits	120 280,75	216 068,57
9. Change in settlement status intertemporal	-807 963,29	-1 391 572,70
10. Other adjustments from operating activities	0,00	0,00
III. Net cash flow from operating activities (I+II)	303 732,87	-625 190,64
B NET CASH FLOW FROM INVESTING ACTIVITIES		
I. Influences	1 000,00	4 594,22
1. Disposal of intangible assets and tangible fixed assets	1 000,00	4 594,22
2. Disposal of real estate investments and assets intangible and legal	0,00	0,00
3. From financial assets, including:	0,00	0,00
a. in related entities	0,00	0,00
b. in other units	0,00	0,00
- disposal of financial assets	0,00	0,00
- dividends and profit shares	0,00	0,00
- repayment of long-term loans granted	0,00	0,00
4. Other investment revenues	0,00	0,00
II. Expenses	0,00	0,00
1. Acquisition of intangible assets and property, plant and equipment	0,00	0,00
2. Investments in real estate and intangible assets i legal	0,00	0,00
3. For financial assets, including:	0,00	0,00
a. in related entities	0,00	0,00

b. in other units	0,00	0,00
- acquisition of financial assets	0,00	0,00
- short-term loans granted	0,00	0,00
4. Other investment expenses	0,00	0,00
III. Net cash flows from investing activities (I–II)	1 000,00	4 594,22
C CASH FLOWS FROM FINANCING ACTIVITIES		
I. Influences	0,00	1 570 824,67
1. Net proceeds from the issuance of shares (share issues) and others	0,00	0,00
capital instruments and capital subsidies		
2. Credits and loans	0,00	1 370 824,67
3. Issuance of debt securities	0,00	0,00
4. Other financial influences	0,00	200 000,00
II. Expenses	211 034,13	1 123 851,44
1. Acquisition of own shares (shares).	0,00	0,00
2. Dividends and other payments to owners	0,00	0,00
3. Other than payments to owners, expenses from profit sharing	0,00	0,00
4. Repayment of loans and credits	160 730,01	1 000 000,00
5. Redemption of debt securities	0,00	0,00
6. Due to other financial liabilities	0,00	0,00
7. Payments of liabilities under leasing contracts financial	0,00	0,00
8. Interest	50 304,12	123 851,44
9. Other financial expenses	0,00	0,00
III. Net cash flows from financing activities (I–II)	-211 034,13	446 973,23
D TOTAL NET CASH FLOW (A.III+/-B.III+/C.III)	93 698,74	-173 623,19
E BALANCE SHEET CHANGE IN CASH, INCLUDING:	93 698,74	-173 623,19
– change in cash due to exchange rate differences	0,00	0,00
F CASH AT THE BEGINNING OF THE PERIOD	91 048,17	306 260,82
G CASH AT THE END OF THE PERIOD	184 746,91	132 637,63
– with limited possibilities of disposal	0,00	0,00

2.4. Statement of changes in equity

Specification	For the period 01.01.2025- 31.03.2025 PLN	For the period 01.01.2024- 31.03.2024 PLN
I. Equity (fund) at the beginning of the period	8 393 078,67	10 977 780,45
- corrections of basic errors	0,00	0,00
I.a. Equity (fund) at the beginning of the period, after adjustments	8 393 078,67	10 977 780,45
1. Share capital (fund) at the beginning of the period	194 855,00	240 085,00
1.1. Changes in core capital (fund).	0,00	0,00
a) increases (due to)	0,00	0,00
- issue of shares (share issue)	0,00	0,00
- capital subsidies	0,00	0,00
b) reductions (due to)	0,00	0,00
- redemption of shares (shares)	0,00	0,00
- from the sale of shares	0,00	0,00
1.2. Core capital (fund) at the end of the period	194 855,00	240 085,00
2. Supplementary capital (fund) at the beginning of the period	9 935 862,36	11 578 523,90
2.1. Changes in supplementary capital (fund).	52 531,00	0,00
a) increases (due to)	52 531,00	0,00
- from profit distribution (statutory)	0,00	0,00
- other	52 531,00	0,00
b) reductions (due to)	0,00	0,00
- transfer of profit from previous years	0,00	0,00
- other	0,00	0,00
2.2. The balance of supplementary capital (fund) at the end of the period	9 988 393,36	11 578 523,90
3. Revaluation capital (fund) at the beginning of the period	463 738,04	470 236,08
3.1. Changes in capital (fund) from revaluation	-14 840,33	-64 685,44
a) increases (due to)	0,00	0,00
- adjustment updating the value according to IAS	0,00	0,00
b) reductions (due to)	14 840,33	64 685,44
- adjustment updating the value according to IAS	14 840,33	64 685,44
3.2. Revaluation capital (fund) at the end of the period	448 897,71	405 550,64
4. Remaining reserve capitals (funds) at the beginning of the period	0,00	0,00
4.1. Changes in other reserve capitals (funds).	0,00	0,00

a) increases (due to)	0,00	0,00
- capital increase for own shares	0,00	0,00
b) reductions (due to)	0,00	0,00
- including capital increase	0,00	0,00
4.2. Other reserve capitals (funds) at the end of the period	0,00	0,00
5. Exchange differences from conversion	0,00	0,00
6. Profit (loss) from previous years at the beginning of the period	-2 201 376,73	-1 311 064,53
6.1. Retained profit at the beginning of the period	0,00	0,00
- error corrections	0,00	0,00
6.2. Profit from previous years at the beginning of the period, after adjustments	0,00	0,00
a) increases (due to)	0,00	0,00
- distribution of profit from previous years	0,00	0,00
b) reductions (due to)	0,00	0,00
- distribution of profit (to supplementary capital)	0,00	0,00
- consolidation adjustments related to the sale of shares of subsidiaries	0,00	0,00
6.3. Retained profit at the end of the period	0,00	0,00
6.4. Loss from previous years at the beginning of the period	-2 201 376,73	-1 311 064,53
- corrections of basic errors	0,00	0,00
6.5 Loss from previous years at the beginning of the period, after adjustments	-2 201 376,73	-1 311 064,53
a) increases (due to)	0,00	0,00
- presentation correction	0,00	0,00
b) reductions (due to)	0,00	0,00
- merger of Carbon and Iron Companies	0,00	0,00
6.6. Loss carried forward at the end of the period	-2 201 376,73	-1 311 064,53
6.7. Profit (loss) from previous years at the end of the period	0,00	0,00
7. Net result	-770 731,07	-528 009,63
a) net profit	0,00	0,00
b) clear strata	770 731,07	528 009,63
c) deductions from profit	0,00	0,00
II. Equity (fund) at the end of the period	7 660 038,27	10 385 085,38

III. Own capital (fund) after taking into account the proposed distribution of profit (loss coverage)	7 660 038,27	10 385 085,38
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The quarterly financial statements were prepared with the assumption that the Company will continue its business activities in the foreseeable future.

These quarterly condensed financial statements were prepared using accounting principles, in accordance with the International Financial Reporting Standards, which were approved by the European Union and to the extent required by the regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws of 2018, item 757).

The Issuer indicates that in order to ensure comparability of data and taking into account the merger of the Issuer with its subsidiary, i.e. Iron VR S.A., which took place in 2024, these financial statements present consolidated data published by the Company in the consolidated periodic report for the first quarter of 2024 as comparable data for the same quarter of the previous year.

3. Information about the principles adopted when preparing the report, including information about changes to the applied accounting principles (policy).

4. Adopted accounting principles (policy), including the methods of valuing assets and liabilities, measuring the financial result and the method of preparing financial statements.

- 4.1. When preparing the Company's financial statements, principles were adopted in accordance with the Accounting Act and the implementing regulations issued thereunder.
- 4.2. In matters not regulated by the above-mentioned provisions. acts, in accordance with the accounting policy, the Company applies National Accounting Standards.
- 4.3. The accounting principles adopted when preparing the Company's financial statements are consistent with the Accounting Act of September 29, 1994, as amended (consolidated text, Journal of Laws of 2018, item 395, as amended - hereinafter referred to as "Accounting Act", "Accounting Act").

During the reporting period, there were no changes in the accounting principles adopted when preparing the Company's financial statements.

5. The following methods of valuation of assets and liabilities were adopted to prepare the financial statements.

Valuation of assets and liabilities

5.1. Valuation of fixed assets

5.1.1. Intangible assets

Intangible assets are valued at purchase price or produced internally, at production cost.

The Company includes assets with an initial value of up to PLN 10,000 in the WNiP, enters them into the balance sheet and charges them as one-off depreciation costs in the month of putting them into use.

The Company classifies assets exceeding PLN 10,000 as intangible assets, simultaneously entering them in the balance sheet records and depreciating them using the straight-line method.

Intangible assets with a low initial value, i.e. less than PLN 10,000, are recognized as costs on a one-off basis and recorded in off-balance sheet records. The Company makes depreciation write-offs using the straight-line method using depreciation rates resulting from the Corporate Income Tax Act.

Completed development works are depreciated by the Company at a rate of 33.33%, for other fixed assets and WNiP, depreciation rates are applied in accordance with the classification of fixed assets.

The intangible assets shown in the balance sheet are presented at net value, i.e. at the initial value less any depreciation write-offs. However, for balance sheet purposes, as at the balance sheet date, the Company each time assesses whether the carrying value of the disclosed assets does not exceed the value of expected future economic benefits. If there are indications that this may be the case, the carrying value of the assets is reduced to the net selling price.

5.1.2. Completed and unfinished development works

The valuation of completed and unfinished development work is made at the actual costs incurred in connection with the performance of development work, both internally and with external forces. The value determined in this way is shown in the balance sheet in the amount reduced by depreciation write-offs.

Until the development work is completed, the entity is not able to determine whether the incurred costs will be classified as intangible assets, therefore, until the development work is completed, the costs of these works are recognized on account 64-0 "Prepaid expenses".

Upon completion of development work that has produced the intended economic effect, it is reclassified as intangible assets and recognized in account 02 "Intangible assets" (in the analysis: Costs of completed development work).

If the development work was unsuccessful, i.e. it did not produce the intended results or it was completed with a positive effect but not implemented for various reasons, then the costs incurred are charged to account 76-1 "Other operating costs" in the period in which they were completed.

In order to recognize the costs of completed development works as intangible assets, they must meet the conditions specified in Art. 33 section 2 of the Accounting Act. The costs of completed development work carried out by the entity for its own needs are included in intangible assets if:

- the product or manufacturing technology is precisely defined and the related development costs are reliably determined,

- the technical suitability of the product or technology has been determined and appropriately documented, and on this basis the entity has made a decision to produce these products or use the technology,
- development costs will be covered, according to expectations, by revenues from the sale of these products or the application of the technology.

5.1.3. Fixed assets

Fixed assets are valued at acquisition price or production cost or revalued value, less depreciation and impairment losses.

Assets with an initial value of up to PLN 10,000 are classified by the Company as fixed assets, entered into the balance sheet records and included in one-off depreciation costs in the month of commissioning. Assets above the value of PLN 10,000 are classified as fixed assets, at the same time entering them into the balance sheet and depreciating them using the straight-line method. Fixed assets with a low initial value, i.e. less than PLN 10,000, are recognized as costs on a one-off basis and recorded in off-balance sheet records.

The Company makes depreciation write-offs using the straight-line method, starting from the month following the month of commissioning, using depreciation rates resulting from the Corporate Income Tax Act. Fixed assets shown in the balance sheet are presented at net value, i.e. at the initial value less any depreciation write-offs.

However, for balance sheet purposes, as at the balance sheet date, the Company each time assesses whether the carrying value of the disclosed assets does not exceed the value of expected future economic benefits. If there are indications that this may be the case, the carrying value of the assets is reduced to the net selling price.

5.1.4. Fixed assets under construction

Fixed assets under construction are valued in the amount of all costs directly related to their acquisition or production, less impairment losses.

5.1.5. Investments

The Company values investments at purchase price, taking into account write-offs for permanent loss of value.

5.2. Deferred tax assets

Deferred tax assets are recognized in relation to all deductible temporary differences and unused tax losses carried over to subsequent years, in the amount in which it is probable that there will be taxable income that will allow the use of the above-mentioned differences and losses.

Assets are valued using tax rates that, according to the regulations adopted by the balance sheet date, will apply in the period when the asset is realized.

5.3. Valuation of current assets

Tangible current assets - the nature of the business activity does not require the accumulation of inventories of tangible current assets. Office supplies are purchased in quantities based on current consumption and are expensed based on their value resulting from purchase invoices.

5.4. Long-term and short-term receivables and claims

- In domestic currency - it is valued at the amount of the required payment, with caution, after taking into account revaluation write-offs.
- In foreign currency - it is valued in the amount of the required payment with caution, taking into account impairment losses. During the financial year, receivables in foreign currencies are converted into PLN using the average NBP exchange rate from the day preceding the date of invoice issuance. As at the balance sheet date, receivables were valued at the average exchange rate of the National Bank of Poland for a given currency applicable on that date.

5.5. Short-term investments - cash and cash equivalents

Cash and cash equivalents

- Cash at bank and in hand is valued at nominal value.
- Cash in foreign currencies was valued at the average exchange rate of the National Bank of Poland applicable for a given currency as at the balance sheet date.

5.6. Exchange rate differences

Exchange differences are valued in accordance with Art. 30 section 2 of the Accounting Act. Economic operations expressed in foreign currencies are entered into the books after their conversion according to the average exchange rate announced for a given currency by the National Bank of Poland on the day preceding the day of their creation.

5.7. Accruals

- According to costs actually incurred, relating to future reporting periods, written off according to the passage of time.
- Accruals and accruals are made in the amount of probable liabilities for the current reporting period.
- Costs incurred for individual projects are posted to the accruals account according to the needs of the activities to which the project relates.

5.8. Capital is valued as follows

- Core capital (share capital) - is recognized in the amount specified in the statute and entered in the court register.

- Supplementary capital - valued at nominal value.
- Reserve capital - valued at nominal value.

5.9. Provision for deferred income tax

The provision for deferred income tax is valued using tax rates that, according to the regulations adopted by the balance sheet date, will apply in the period when the provision is released.

5.10. Long-term and short-term liabilities

- In national currency - in the amount of the due payment, taking into account interest for late payment of liabilities.
- In foreign currency - it is valued in the amount of the required payment, taking into account interest for late payment of liabilities. During the financial year, liabilities in foreign currencies are converted into PLN using the average NBP exchange rate from the day preceding the date of invoice issuance. As at the balance sheet date, liabilities were valued at the average exchange rate of the National Bank of Poland for a given currency applicable on that date.

5.11. Exchange rate differences

The rules for converting transactions denominated in foreign currencies are carried out in accordance with Art. 30 section 2 of the Accounting Act. Economic operations expressed in foreign currencies are entered into the books after their conversion according to the average exchange rate announced for a given currency by the National Bank of Poland on the day preceding the day of their creation.

5.12. Bank loans and advances as well as financial liabilities held for trading

At the moment of initial recognition, bank loans and credits are recognized at cost, which is the value of the cash received and includes the costs of obtaining the credit/loan. Liabilities held for trading are measured at fair value. Gain or loss on revaluation to fair value is recognized in the profit and loss account of the current period.

5.13. Financial assets

The Company enters financial assets into its accounting books as at the date of conclusion of the contract at the purchase price, i.e. at the fair value of the expenses incurred.

The Company enters financial liabilities in the accounting books as at the date of conclusion of the contract at the fair value of the amount obtained or the value of other assets received. When determining the fair value of financial assets and liabilities, incurred transaction costs are taken into account.

After initial recognition, financial assets are classified into one of four categories and valued as follows:

- Financial assets held to maturity - are valued at the adjusted purchase price estimated using the effective interest rate. The effects of a specific valuation are recognized as financial costs or revenues in the reporting period in which the revaluation occurred, respectively.
- Loans granted and own receivables - are valued at the adjusted purchase price estimated using the effective interest rate, regardless of whether the entity intends to hold them until maturity or not. Receivables with a short maturity date, for which no interest rate has been specified, are valued at the amount of the required payment. The effects of periodic valuation are recognized as financial costs or revenues in the reporting period in which the revaluation occurred, respectively.
- Financial assets held for trading - are valued at reliably determined fair value, without reducing it by the transaction costs that the entity would incur by selling these assets or excluding them from the accounting books for other reasons, unless the amount of these costs would be significant. The effects of periodic valuation are recognized as financial costs or revenues in the reporting period in which the revaluation occurred, respectively.
- Financial assets available for sale - are measured at reliably determined fair value, without reducing it by transaction costs that the entity would incur by selling these assets or excluding them from the accounting books for other reasons, unless the value of these costs would be significant. The effects of periodic valuation of financial assets held for sale are included in the revaluation reserve.

Financial liabilities, except for hedging items, are valued by the Company no later than at the end of the reporting year at the adjusted purchase price, while liabilities held for trading and derivative instruments of a liability nature are valued at fair value.

5.14. Organization of accounting and accounting documentation related to the implementation of projects co-financed from aid funds

- In order to achieve better transparency and readability of information on the use of funds relating to projects co-financed from aid funds, the basic bank account is used for project costs and revenues, unless the requirements of the co-financing agreement require a bank account dedicated only to that project.
- Accounting books for projects co-financed from aid funds are kept computerized. Separate accounting records of all implemented projects are achieved through appropriately developed team accounts 6. Documents relating to individual projects in their entirety are entered in the purchase register and stored together with the documents for this register in the accounting department.
- Accounting for individual projects is made according to the purpose of the purchase and the description included in the document by the person substantively responsible for a given project. Double-sided copies of these documents are provided to project coordinators, who then prepare subsequent copies attached to payment applications - in accordance with the contract requirements for a given project.

- Accounting entries relating to ongoing projects are separated, in accordance with the requirements contained in contracts or other documents specifying the obligation to separate accounting entries relating to a given project.
- Each project is posted to the accrued expenses account according to the needs of the activities to which the project relates.
- Revenues related to projects are recognized in the accounting books according to the accrual method; the basis for recognizing revenues is the payment application submitted to the implementing institution.
- To maintain the matching of revenues and costs, payments related to individual projects are recognized in the accrued income account.

6. Issuance, redemption and repayment of debt and equity securities.

There were no events during the reporting period.

7. Dividends paid (in total or per share, broken down into ordinary shares and other shares).

There were no events during the reporting period.

8. The issuer's commentary on circumstances and events significantly affecting the Company's operations, its financial situation and results achieved in a given quarter

In the first quarter of 2025, Carbon Studio S.A. ("Carbon Studio") achieved sales revenues of PLN 679,575.69, which compared to the same period of the previous year (PLN 877,116.05) means a decrease of approximately 22.5%. The observed decline in revenues results primarily from the natural life cycle of products that have been in the Company's offer for a long time, which generated much higher sales revenues in the first phase after the premiere. In the same period in 2024, the Hunt Together game was released. In the analyzed period, Carbon Studio did not premiere new titles, but on March 20, 2025, patch 1.28 was released in the flagship title of The Wizards - Dark Times: Brotherhood.

Despite the weakening sales dynamics typical of the beginning of the year, the Company was active in promotional activities and took actions to maintain interest in its titles. Selected productions were offered discounts as part of market-wide promotional events, including: on the Meta Quest and Steam platforms, which allowed extending the life cycle of some older titles and maintaining their visibility in distribution channels.

These activities included, among others: promotion of games from The Wizards, Crimen - Mercenary Tales, Hunt Together and Warhammer Age of Sigmar - Tempestfall series, which are still appreciated among players thanks to their high quality of workmanship and good reception in the VR environment. In particular, "Hunt Together" – as a Meta Quest+ title – continued to benefit from additional exposure in the Meta ecosystem, which supported its continued monetization. Although

the intensity of the campaign in the first quarter did not match the scale of activities during the holiday period, the Company maintained continuity of communication with players, updating selected titles and preparing the ground for the premiere of subsequent content updates.

During the first quarter of 2025, Hunt Together remained one of the key titles in Carbon Studio's portfolio, significantly contributing to maintaining the engagement of the gaming community and supporting the Company's revenues through further monetization within the Meta platform. The game was available in the Meta Quest+ subscription library until March 31, 2025, which ensured its constant exposure among users of Meta Quest 2, Quest 3, Quest 3s and Quest Pro goggles. Thanks to its presence in this distribution model, Hunt Together not only attracted new users, but also successfully kept the existing player base active.

Particularly noteworthy is the fact that at the beginning of February 2025, the Company introduced the long-awaited single-player mode - Solo Mode - which was a significant extension of the game's functionality. The new mode not only increased the attractiveness of Hunt Together for players who prefer offline or individual gameplay, but also significantly extended the product lifecycle. Its implementation was positively received by users, which resulted in an increase in activity and the number of game sessions in the following weeks.

In the reporting period, the Issuer also focused on the development of a strategic project codenamed "Hermes", created in cooperation with Meta Platforms Technologies LLC. This project, currently in the phase of intensive development work, is of significant importance for the further development of the Company's product portfolio. Based on the experience and materials developed as part of the "Hermes" project, the Company decided to prepare two video game demos. Both demos are intended to present the conceptual and technological potential of the projects, and are also an important element in the process of establishing cooperation with potential publishers. Currently, talks are being held with potential business partners, both domestic and foreign, in order to obtain financing for the implementation of future projects.

The company recognizes the growing potential of using virtual reality technology in the education and culture sector, therefore it is actively analyzing the possibilities of getting involved in this type of projects. Carbon Studio is interested in developing competences in the area of creating immersive educational experiences that can be used both in cultural institutions and in social projects. Such initiatives are part of the company's strategy of diversifying its activities, with particular emphasis on cooperation with public and educational entities.

In the analyzed period, Carbon Studio recorded a net loss of PLN 770,731.07, which was the result of, among others, continuation of amortization of completed projects and costs related to the intensive development of new titles. Despite the negative net result, the Company maintained a positive EBITDA level of PLN 537,870.47, which proves operational stability and effective management of its core activities. In the first quarter of 2025, there was an increase in operating costs compared to the same period of the previous year, which was primarily the result of an increase in the value of depreciation write-offs. In the analyzed period i.e. the total depreciation value was PLN 1,231,774.94, while in the first quarter of 2024 it was PLN 1,142,222.96.

In February 2025 the depreciation of the project ended Warhammer Age of Sigmar - Tempestfall PC VR. As at the date of preparation of this report, the following projects are amortized:

- Warhammer Age of Sigmar - Tempestfall Quest Edition
- Crimen - Mercenary Tales Quest Edition
- Metaverse
- Project Gameln 149
- Project Gameln 171
- Mindset
- The Wizards - Dark Times: Brotherhood
- Hunt Together
- Crimen - Mercenary Tales (HD Edition)

In the first quarter of 2025, Carbon Studio maintained the costs of external services at a level similar to the same period of the previous year - they amounted to PLN 256,412.18 compared to PLN 253,400.59 in Q1 2024. The stabilization of this cost category was a direct result of optimization activities carried out as part of the completed merger with Iron VR.

As a result of these activities, the Company not only reduced its dependence on external services, but also created a solid basis for further reduction and stabilization of operating costs. Integration with Iron VR is therefore an important element of the implemented long-term strategy, the aim of which is to build a flexible, cost-effective operating model, supporting further development and strengthening the market position of Carbon Studio.

In the first quarter of 2025, Carbon Studio recorded a decrease in salary costs compared to the same period of the previous year, which was the result of a consistently implemented strategy to optimize the employment structure and rational human resources management. Total expenses on remuneration amounted to PLN 129,054.90, while in the first quarter of 2024 they reached PLN 152,352.80. Reducing personnel costs had a significant impact on improving the Company's financial flexibility and enabled more effective allocation of resources to areas of key importance for further development - including the implementation of technological projects and investments in innovative VR solutions.

In the first quarter of 2025, the Company incurred interest costs in the amount of PLN 50,304.12 related to the financing obtained for operating and investment purposes. The liabilities incurred provided significant support for the implementation of key projects, allowing their development in accordance with the schedule. These costs were the result of a conscious financial policy aimed at maintaining liquidity. Carbon Studio constantly monitors the debt level and analyzes possibilities of optimizing the financing structure, ensuring the minimization of debt servicing costs.

In agreement with Kepler Interactive, the Company decided to resign from continuing work on the port of the game to the VR platform, as previously reported in ESPI current report No. 1/2025 of March 18, 2025. This decision was made as a result of a strategic analysis of development goals and priorities. The company decided to focus the available resources and team competences on the implementation of its own publishing projects, which have higher growth potential and may, in the

long term, translate into a significant increase in revenues and shareholder value. Giving up less strategic activities will enable even greater involvement in the development of proprietary titles, the quality and commercial potential of which remain the key pillars of the Company's operations.

The Company assumes that in the coming quarters the effects of the optimization actions implemented so far will be increasingly visible in its financial results. Carbon Studio continues to implement the strategy of responsible cost management and a flexible approach to resource allocation, adapting the organizational structure to current market conditions. Maintaining high financial discipline and further actions aimed at increasing operational efficiency are aimed not only at improving profitability, but also at building lasting foundations for the Company's growth and competitiveness in the virtual reality market.

9. Position regarding the possibility of achieving the published forecasts of results for a given year in the light of the results presented in the quarterly report

The Issuer did not make public financial forecasts for 2025.

10. Description of the status of implementation of the Issuer's activities and investments and their implementation schedule

Not applicable.

11. Information on activity in the field of introducing innovative solutions in the enterprise

In February 2025, the Company formally started the implementation of the project titled: "MAGOS [Multiplatform Automatic Graphic Optimization System] - Automated tool for optimizing graphic collections in VR games", co-financed under the European Funds for the Modern Economy (FENG) program, in the SMART Path (FENG.01.01-IP.02-002/23). The project is implemented on the basis of the co-financing agreement no. FENG.01.01-IP.02-4304/23, concluded on December 30, 2024, between the Company and the Polish Agency for Enterprise Development (PARP). According to the concluded agreement, the amount of funding for the Project is PLN 4,117,518.75, and the total cost of the Project implementation is PLN 5,642,201.25.

Due to the need to adapt the Project implementation schedule to the current organizational and operational conditions, in February 2025 an annex to the funding agreement was signed, in which the start and end dates of the Project implementation were changed.

For the Company, the commencement of the Project means entering a key phase of research and development activities, the aim of which is to develop a breakthrough technology - a system based on artificial intelligence enabling automatic optimization of VR games for various hardware platforms. This project is part of the Company's long-term development strategy, based on innovation, digitization and automation of processes in the video game industry.

The company is committed to actively participating in new research and development initiatives, both at the national and international level. The Issuer's development strategy assumes not only intensive work on creating innovative technologies, but also the systematic development of valuable partnerships - both with scientific units and entities from the private sector. This approach helps build lasting foundations for the Company's further dynamic growth and the effective introduction of breakthrough technological solutions to the market.

12. Description of the organization of the issuer's capital group, specifying entities subject to consolidation and entities not included in consolidation

As at March 31, 2025, the Issuer had no entities subject to consolidation or entities not covered by consolidation.

13. Indication of the reasons for not preparing consolidated statements by the parent entity or reasons for exemption from consolidation

As at March 31, 2025, the Issuer did not have any subsidiaries and therefore does not prepare consolidated financial statements.

14. Selected financial data of all of the Issuer's subsidiaries not subject to consolidation

Not applicable.

15. Information on the issuer's shareholding structure, indicating shareholders holding at least 5% of votes as at the date of submitting the report

Shareholder	Number of shares	Number of votes	% share in the share capital	% share in votes at the GM
Błażej Szaflik	295 295	295 295	15,16%	15,16%
Alexander Aban	299 769	299 769	15,38%	15,38%
Karolina Koszuta-Caban	298 890	298 890	15,34%	15,34%
Jolanta Falkowska*	146 810	146 810	7,53%	7,53%
Other investors	907 786	907 786	46,59%	46,59%
Together	1 948 550	1 948 550	100%	100%

*with a subsidiary

Dane as of May 15, 2025.

16. Information on the number of people employed by the Issuer, in full-time equivalents

Regarding the Issuer's activities

Form of employment	Number of employees	Number of full-time positions
Employment contract	9	7,5
Agreement - other	9	—

Data as of March 31, 2025.

17. Statement of the Management Board

Management Board of Carbon Studio S.A. declares that, to the best of its knowledge, the financial statements for the first quarter of 2025 and comparable data were prepared in accordance with the regulations applicable to the Issuer and that they reflect in a true, reliable and clear manner the property and financial situation and the financial result of Carbon Studio Spółka Akcyjna.

Management Board of Carbon Studio S.A.

Błażej Szaflik - President of the Management Board

Aleksander Caban - Member of the Board

Karolina Koszuta-Caban - Member of the Management Board