

The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Coverage Support Programme

			2020	2021	2022F	2023F	
Price [PLN]	5,20	P/E	9,9	90,2	-	-	Analyst: Krzysztof Tkocz krzysztof.tkocz@bdm.pl tel.: (+48) 516 086 705
MC [mln PLN]	141,4	EV/EBITDA	15,0	62,2	-	-	
		EV/EBIT	17,1	133,2	-	-	
		P/BV	4,6	4,4	-	-	

Last recommendation BDM: BUY with target price 8,0 PLN/share (2022/03/24) [LINK](#)

Q2'22 results [mln PLN]

	Q2'21	Q2'22	change y/y	Q2'22E	Dev.	Q2'22 BDM	dev.	H1'21	H1'22	change y/y
Sales	5,5	17,9	227,8%	17,7	1,3%	18,4	-2,6%	13,0	23,9	84,6%
Gross profit	-1,8	6,7	-	-	-	7,3	-8,1%	0,6	6,5	980,8%
EBITDA adj.*	-1,3	8,1	-	-	-	8,0	1,6%	1,5	8,5	463,1%
EBITDA	-1,3	6,9	-	-	-	6,8	1,9%	1,5	7,3	382,2%
EBIT	-1,6	6,8	-	6,6	3,6%	6,6	3,6%	0,9	6,9	639,5%
Profit before tax	-0,6	7,3	-	-	-	6,9	5,4%	2,0	7,5	276,4%
Net profit	-0,6	6,0	-	5,7	6,3%	5,7	5,7%	1,6	6,2	300,9%
Gross margin	-11,8%	37,4%	-	-	-	37,8%	-	37,8%	27,3%	-
EBITDA margin adj.	-24,2%	45,5%	-	-	-	43,6%	-	11,6%	35,5%	-
EBITDA margin	-24,2%	38,7%	-	-	-	37,2%	-	37,2%	30,4%	-
EBIT margin	-29,7%	38,1%	-	37,3%	-	35,9%	-	35,9%	28,8%	-
Net margin	-10,2%	33,6%	-	32,1%	-	30,8%	-	30,8%	26,0%	-

Source: BDM S.A., company,* adj. - by PLN 1.2 million, ie by the value of the provision for future liabilities

BDM Comment: The final results of Forever Entertainment for Q2'22 turned out to be slightly higher than the previously presented estimates. As indicated in our recent comments, we are positively surprised by the company's results for the past quarter. In our last report ([Forever Entertainment Buy 8,0 PLN](#)), we forecast lower results, assuming other important debuts in Q2'22, which, however, did not take place in this period. Over the reported quarter, the company generated **PLN 17.9 million in revenues** (+ 227.8% y/y) - of which PLN 16.7 million relates to revenues from the sale of products - an increase of 236.4% y/y, and the rest that is PLN 1.2 million until the change in the state of products - an increase by 142.6% y/y. The premiere of the game "THE HOUSE OF THE DEAD: Remake", which generated the highest revenues from post-premiere sales in the company's history so far, had the greatest impact on the increase in FOR's revenues in 2Q'22. We estimate that in the discussed period, sales of this title were at the level of approx. 130 thousand. copies - taking into account prepayments and advances received (vs our assumptions of 240,000 throughout 2022, PLN 11.5 million in revenue throughout 2022, of which PLN 3.8 million for FOR), which we perceive positively. **The company's operating expenses in Q2'22** increased by PLN 4.0 million, i.e. 55.1% y/y, to PLN 11.2 million. The increase in this position of the company was mainly related to the increase in the costs of external services by PLN 4.3 million, i.e. by 81.5% y/y to the amount of PLN 9.6 million for 2Q'22. It is worth adding that the amount of external services includes the value of the provision in the amount of PLN 1.2 million, created for the first time for future costs of settlements with contractors due to their share in the revenue from the sale of games ("revenue share"). Without this provision, the company's operating and gross profit would have been higher by PLN 1.2m, and net profit by PLN 1.0m. The second significant operating cost was the cost of salaries and social security for Q2'22, totaling PLN 1.3m, and were 17.8% lower compared to Q2'21. When analyzing the costs of external services, we are positively surprised by the division of revenues with the game developer and IP owner, according to our estimates, in Q2'22 it is at the level of approx. 35-40% (vs. 67% our assumptions from the last recommendation), In subsequent quarters, it may be higher, due to the priority of reimbursement of production and release costs for this game. Nevertheless, we expect it to be much lower than our previous assumptions. The company's **EBIT** for Q2'22 amounted to PLN 6.8 million compared to PLN -1.6 million EBIT in Q2'21, which translated into an increase of PLN 8.5 million y/y. The company's **EBITDA** for the period in question was PLN 6.9m and was higher than the loss reported in Q2'21 by PLN 8.3m. In terms of financial activities, the company recognized PLN 0.5m in dividends from UF GAMES, and its net profit for Q2'22 amounted to PLN 6.0m and was higher by PLN 6.6m compared to the net loss for Q2'21. At the end of Q2'22, the company had PLN 2.9m in cash and other assets (PLN +1.1m q/q), in the discussed period, FOR paid out PLN 0.8m in dividends. Receivables from other entities increased q/q by PLN 2.4 million to PLN 8.2 million. Provisions for liabilities increased by PLN 1.2m q/q to PLN 3.9m. Short-term liabilities fell by PLN 1.5m q/q to PLN 6.9m. Most of the titles for which he is the producer and publisher are listed in the release schedule. **In addition to them, the company, together with entities from the group, also realizes the titles not yet disclosed.**



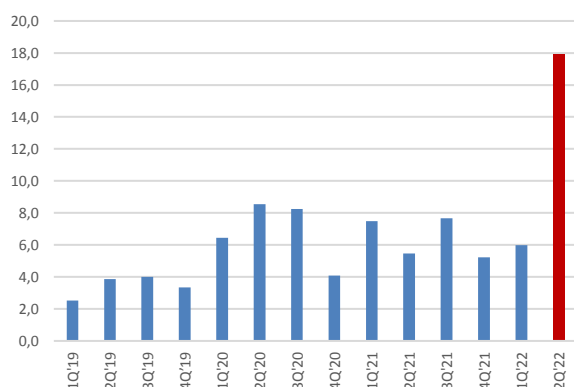
- The company's revenues for 2Q'22 amounted to PLN 17.9 million and were higher by 227.8% y / y (of which PLN 16.7 million relates to revenues from sales of products - an increase by 236.4% y / y, and the rest, i.e. PLN 1.2 million to change the state of products - an increase by 142.6% y / y).
- The premiere of the game "THE HOUSE OF THE DEAD: Remake", which generated the highest revenues from post-premiere sales in the company's history so far, had the greatest impact on the increase in the company's revenues in 2Q'22. When assessing the sale of this game, one should take into account the release date (April 7, 2022) on the Nintendo Switch console, on which, taking into account pre-orders, sales took place throughout Q2'22. On other platforms: Steam, GOG, Xbox One, PlayStation 4 and Stadia, this title premiered on April 28, 2022, so sales revenues were only for 2 months of this quarter.
- In the reporting period, due to the high pace of investments in new titles, the premieres of which are planned for the coming quarters, the value of the change in the state of products increased by 142.6% y / y to the amount of PLN 1.2 million.
- The company's operating expenses in Q2'22 increased by PLN 4.0m, i.e. 55.1% y / y, to PLN 11.2m. The increase in the value of the company's operating costs was mainly related to the increase in the costs of external services by PLN 4.3 million, i.e. by 81.5% y / y to the amount of PLN 9.6 million for 2Q'22. It is worth adding that the amount of external services includes the value of the provision in the amount of PLN 1.2 million, created for the first time for future costs of settlements with contractors due to their share in the revenue from the sale of games ("revenue share"). Without this provision, the company's operating and gross profit would have been higher by PLN 1.2m, and net profit by PLN 1.0m.
- The second significant operating cost was the cost of salaries and social security for Q2'22 totaling PLN 1.3 million and were lower by 17.8% y / y compared to Q2'21.
- EBIT for 2Q'22 amounted to PLN 6.8 million compared to PLN -1.6 million EBIT in 2Q'21, which translated into an increase by PLN 8.5 million y / y. The company's EBITDA for the period in question amounted to PLN 6.9 million and was higher than the loss reported in Q2'21 by PLN 8.3 million.
- In terms of financial activity, the company has recognized a PLN 0.5m dividend from UF GAMES.
- Net profit for Q2'22 amounted to PLN 6.0 million and was higher by PLN 6.6 million compared to the net loss for Q2'21.
- After a double increase in revenues and operating profits in the compared quarters, the operating profitability EBITDA increased to 38.7% for Q2'22 against -24.2% for Q2'21. At the same time, the company's net profitability increased to 33.6% compared to -10.2% in the comparable period.
- At the end of Q2'22, the company had PLN 2.9m in cash and other assets (PLN +1.1m q / q). Receivables from other entities increased q / q by PLN 2.4 million to PLN 8.2 million. Provisions for liabilities increased by PLN 1.2m q / q to PLN 3.9m. Short-term liabilities fell by PLN 1.5m q / q to PLN 6.9m.
- Currently, Forever Entertainment independently implements or finances and contracts the implementation of several remake games to development studios in which it has shares. Most of the titles for which he is the producer and publisher are listed in the release schedule. In addition to them, the company, together with entities from the group, also realizes the titles not yet disclosed. The budgets of currently produced games are much higher than those of the previous years. The increase in gaming budgets may be evidenced by the increase in employment (excluding company authorities) at the end of June 2022 in FE by 16% y / y, and together with other group companies by 48% y / y.
- FOREVER SEED FUND - in Q2'22 the company focused on finding developers who own, implement or plan to make high-quality games. As part of this activity, she participated in a number of conferences, fairs and meetings with developers from around the world. The effects of these meetings will be visible in the near future
- In Q2'22, the company continued work on introducing new devices (consoles) of older generations to the tools that automate the game porting processes, in order to transfer the functionality of the remakes ported in the company.
- UF GAMES, as a profitable company, paid dividends from the previous year's profit for the third year in a row. FOR received a total of PLN 0.9 million in dividends, including PLN 468 thousand. PLN from the profit for 2021.
- Currently, Storm Trident S.A. focuses on the production of the game: "FRONT MISSION 2: Remake"
- As at June 30, 2022, the company employed a total of 60 people, including 38 people (under a contract of employment) full-time and 22 people on the basis of civil law contracts.
- The current schedule of premieres: <https://forever-entertainment.com/premiery,4,pl>.

Results in previous quarters [mln PLN]

Results Q [mln PLN]	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	2018	2019	2020	2021
Sales	2,5	3,9	4,0	3,3	6,5	8,5	8,2	4,1	7,5	5,5	7,7	5,2	6,0	17,9	9,8	13,7	27,3	25,8
Gross profit	0,9	1,3	1,2	-0,6	4,2	2,2	1,5	-0,3	2,4	-1,8	1,6	-1,5	-0,2	6,7	3,0	2,9	7,5	0,8
EBITDA	1,1	1,9	2,1	0,6	4,5	2,7	1,9	0,1	2,8	-1,3	2,1	-1,4	0,3	6,9	3,9	5,6	9,2	2,2
EBIT	1,0	1,5	1,4	-0,4	4,2	2,5	1,6	-0,2	2,6	-1,6	1,8	-1,7	0,0	6,8	3,4	3,5	8,0	1,0
Profit before tax	1,0	3,7	1,4	1,0	4,2	12,4	1,7	-0,3	2,6	-0,6	2,0	-1,7	0,2	7,3	3,3	7,1	18,1	2,3
Net profit	1,0	3,5	1,2	0,8	3,6	9,8	1,4	-0,6	2,1	-0,6	1,6	-1,6	0,2	6,0	3,3	6,4	14,3	1,6
Sales change y/y	122,3%	79,3%	3,8%	26,2%	156,5%	121,2%	105,6%	22,3%	15,9%	-36,0%	-7,0%	27,9%	-20,1%	227,8%	-	40,1%	99,0%	-5,4%
Net profit change y/y	145,5%	397,0%	-13,6%	-5,5%	276,1%	178,7%	21,0%	-	-42,0%	-	11,6%	170,4%	-90,6%	-	-	95,9%	121,7%	89,0%
Gross margin	37,6%	35,0%	29,3%	-16,9%	64,9%	25,6%	17,7%	-7,7%	31,6%	-32,3%	21,3%	-28,1%	-2,9%	37,4%	30,7%	21,2%	27,5%	3,0%
EBITDA margin	41,9%	48,9%	52,1%	16,9%	69,2%	32,1%	22,8%	1,5%	37,8%	-24,2%	26,8%	-26,1%	5,8%	38,1%	40,2%	40,8%	33,5%	8,5%
EBIT margin	39,6%	38,5%	35,1%	-12,0%	64,9%	28,9%	19,4%	-5,2%	34,1%	-29,7%	23,0%	-31,9%	0,7%	33,6%	34,2%	25,4%	29,4%	4,0%
Net margin	38,5%	91,1%	29,2%	23,5%	56,4%	114,8%	17,2%	-14,2%	28,2%	-10,2%	20,6%	-29,9%	3,3%	17,9	33,5%	46,9%	52,3%	6,1%

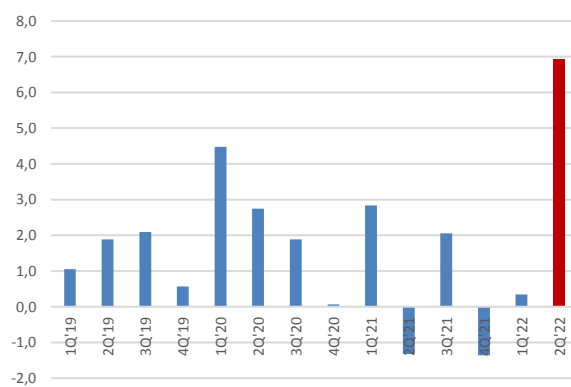
Źródło: BDM S.A., company

Sales [mln PLN]



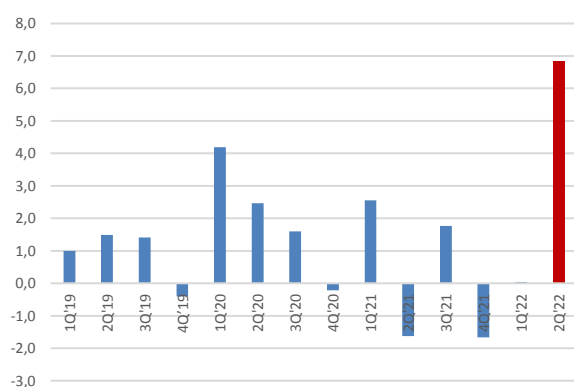
Źródło: Dom Maklerski BDM S.A., company

EBITDA [mln PLN]



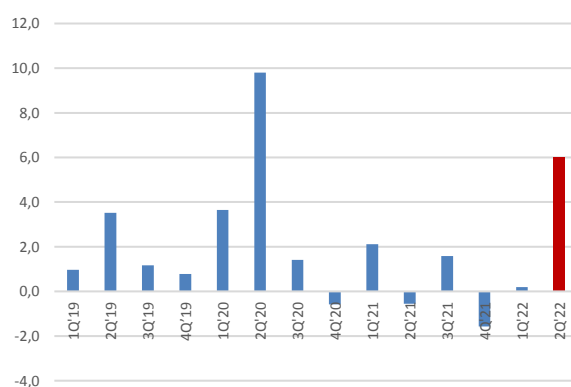
Źródło: Dom Maklerski BDM S.A., company

EBIT [mln PLN]



Źródło: Dom Maklerski BDM S.A., company

Net profit [mln PLN]



Źródło: Dom Maklerski BDM S.A., company



Dom Maklerski BDM S.A.

ANALYST COMMENT – FOREVER
ENTERTAINMENT

Q2'22 RESULTS

2022/08/11, 9:15 CEST

RESEARCH DEPARTMENT:

Maciej Bobrowski

Director

tel. (032) 208 14 12

e-mail: maciej.bobrowski@bdm.pl

strategy, industry, media/entertainment, TMT

Krzysztof Pado

Deputy Director

Investment Adviser

tel. (032) 208 14 35

e-mail: krzysztof.pado@bdm.pl

oil&gas, construction, building materials, real estate

Krzysztof Tkocz

Analyst

tel. (032) 208 14 38

e-mail: krzysztof.tkocz@bdm.pl

gaming

Anna Madziar

Junior analyst

tel. (032) 208 14 35

e-mail: anna.madziar@bdm.pl

Kajetan Sroczynski

Junior analyst

tel. (032) 208 14 38

e-mail: kajetan.sroczynski@bdm.pl

Explanations of terminology:

EBIT - earnings before interest and tax

EBITDA – earnings before interest, taxes, depreciation, and amortization

Net debt – interest bearing debt minus cash and equivalents

WACC - weighted average cost of capital

CAGR - cumulative average annual growth

EPS - earnings per share

DPS - dividend per share

CEPS - net profit plus depreciation per share

EV – market capitalization plus interest bearing debt minus cash and equivalents

EV/S – market capitalization / sales

EV/EBITDA – EV / sales

P/EBIT – market capitalization / EBIT

MC/S – market capitalization / sales

P/E – market capitalization / net profit

P/BV – market capitalization / book value

P/CE - market capitalization / net profit plus depreciation

ROE – net profit / equity

ROA - net income / assets

Gross margin - gross profit on sales / sales

EBITDA margin – EBITDA / sales

EBIT margin – EBIT / sales

Net margin – net profit / sales

Explanation of ratings:

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);

Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);

Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);

Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);

Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).

Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

INSTITUTIONAL SALES DEPARTMENT:

Leszek Mackiewicz

Director

tel. (022) 62-20-848

e-mail: leszek.mackiewicz@bdm.pl

Tomasz Ilcyszyn

tel. (022) 62-20-854

e-mail: tomasz.ilcyszyn@bdm.pl

Maciej Fink-Finowicki

tel. (022) 62-20-855

e-mail: maciej.fink-finowicki@bdm.pl

Piotr Komorowski

tel. (022) 62-20-851

e-mail: piotr.komorowski@bdm.pl

Ratings and price targets history:

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
Buy	8,0	buy	9,4	24.03.2022*	08:00 CEST	5,23	64 374
Buy	9,4	---	---	01.09.2021*	07:00 CEST	5,92	70 930

* The report was prepared by Dom Maklerski BDM at the request of the WSE as part of the Exchange's Analytical Support Programme.

Distribution of BDM's recommendations in Q3'22*:

, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months

	number	%	number	%
Buy	1	33%	2	100%
Accumulate	2	67%	0	0%
Hold	0	0%	0	0%
Reduce	0	0%	0	0%
Sell	0	0%	0	0%

* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months and information on the numbers of issuers to which BDM has supplied services of investment firms set out in Sections A and B of Annex I to Directive 2014/65/EU is included in a cyclical "Monthly Report" or at www.bdm.pl

A Legal note:

This report (hereinafter also referred to as an analysis, a document) has been prepared in compliance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (on market abuse), Commission Delegated Regulation (EU) 2016/958 and Commission Delegated Regulation (EU) 2017/565.

The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

The report has been prepared by Dom Maklerski BDM S.A. (hereinafter BDM S.A.) within the Exchange Analytical Coverage Support Programme (<https://www.gpw.pl/gpwpa>). BDM S.A. is a party to the „Agreement on the provision of analytical report services” concluded with the Warsaw Stock Exchange Company („GPW”), on the basis of which BDM provides services of analytical coverage of the Issuer for the term of the Agreement. Under the agreement BDM obtains remuneration from GPW. All materials prepared by BDM within the framework of co-operation are available at <https://www.bdm.pl/program-wsparcia-pokrycia-analitycznego-gpw>

The report has been prepared and made available for distribution by BDM.

GPW shall be a copyright holder to this report from the date of its publication. The report can be published and made available without limitation by GPW through any mass communication media as decided by GPW.

This report does not constitute an investment, legal, accounting advice or any other, and BDM shall not be responsible for damages arising from or connected with the use of the data presented in the report or the use of any elements of the report by recipients. The report or any copy of it cannot be disseminated, directly or indirectly, in the United States, Canada, Australia or Japan, or transmitted to citizens or residents of a state where its distribution can be restricted by law, which does not limit the possibility of publishing the report on internet websites of the Issuer, BDM or GPW. Persons who disseminate this document should be aware of the necessity to comply with such restrictions.

The document can be intended for professional or institutional customers of BDM as well as for other BDM qualified customers entitled to receive general recommendations based on agreements for brokerage services. This report can also reach other entities through media distribution channels based on a decision of the manager of the analysis department. The fact that a recipient has obtained this report does not mean that he shall be treated as a BDM customer. The compilation cannot be published or copied without a prior written consent of BDM.

Persons who will receive this report and who are not professional customers or qualified investors should consult an independent financial advisor before making any investment decision based on this analysis in order to obtain any necessary and crucial explanations concerning the contents of this analysis.

To prepare this analytical report BDM has not considered individual needs or situations of customers. BDM is not obliged to guarantee that a financial instrument or financial instruments covered by this report are appropriate for a given investor.

Opinions of an analyst and any recommendations included in this report neither constitute an investment, legal, accounting or tax advice or a statement that any investment strategy is adequate or appropriate because of individual circumstances concerning the customer, nor constitute personal recommendation.

The analysis is for information purposes only and does not constitute an advertisement or an offer or an invitation to subscribe or purchase financial instruments.

An investor should be aware that each investment decision in the capital market is subject to numerous risks that finally can result in a financial loss suffered by him. The return rate on individual investments can fluctuate depending on various factors beyond the control of the investor. Therefore, a customer who makes a single investment decision should not only check currency and correctness of individual assumptions made by the analyst in the report but also to have an independent assessment and own analysis (also based on scenarios other than the ones presented in the report) taking into consideration the level of acceptable risk. When deciding on activity on the capital market the investor should take into consideration the fact that the investment portfolio structure (diversification of investment through possessing more than one financial instrument) can reduce risk exposure to an individual instrument bringing a negative rate of return in a given period. At the same time, however, it can lead to limitation of a positive rate of return the investor could achieve in the case of a single financial instrument in a given time period. The investor should be aware that the investment portfolio structure and any investment strategy for the stock market do not guarantee the achievement of a positive rate of return and do not protect him against final loss.

For the first time this report has been made available to the public on 11.08.2022 (09:15 CEST). Date of preparing the report is the date of making it accessible. Before the recommendation was made accessible, information included in it had been confidential.

The prices of the financial instruments listed in the document have been taken from the real-time pricing as provided by Bloomberg. Data concerning financial instrument prices used in the report could be loaded to 24 hours before the moment of completing the report.

Detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included in a cyclical “Monthly Report”.

In the opinion of BDM this report has been prepared observing principles of methodological correctness and objectivity on the basis of sources available to the public which BDM considers reliable. The sources of information used in recommendation are all data related to financial instruments concerned and available to an analyst, including current and periodic reports of the company, current and periodic reports of entities used for comparative valuation, business reports, press releases and other. However, BDM S.A., in no case, guarantees the accuracy and completeness of this report, in particular should sources on the basis of which the report was prepared prove to be inaccurate, incomplete or not fully consistent with the facts. The forecasts presented in the report are solely based on the analysis made by BDM without consultations with companies or other entities and are based on a number of assumptions which could prove to be wrong in the future. BDM does not guarantee that the presented forecasts will prove right.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

Any opinions, forecasts or estimates made in the report are merely an expression of analyst assessment as of the day of preparation of the report and at any moment they can be changed without notice. BDM does not guarantee that the opinions or assumptions made by an analyst/analysts and included in this report are compatible with other analysis prepared by BDM. BDM updates issued recommendations depending on the market situation and analyst assessment, and the frequency of such updates is not defined.

According to BDM this report has been made with due diligence and reliability. However, BDM shall not be held liable for any damages incurred as a result of decisions made on the basis of information included in this report.

The report was not transferred to the issuer prior to its publication.

An analyst (analysts) preparing this document receives a fixed remuneration and the BDM Management Board has the right to grant them additional remuneration. Additional remuneration may indirectly depend on the results of other services offered by BDM, including investment banking services, but it shall not depend directly on financial results resulting from other services, including financial banking, which have been or could have been reached by BDM.

The investor should assume that BDM employees or proxies or shareholders may hold long or short positions in the issuer's shares or other financial instruments related to the issuer's shares; this particularly concerns the situation of holding not more than 5% of the capital, and they may also carry out transactions on them as proxies.

Each of the above-mentioned persons could carry out transaction relating to the financial instruments concerned prior to this publication. At the same time, however, the instruments concerned are entered in the restrictive list for employees of the Analysis Department immediately at the start of work on the report.

We have not identified significant conflicts of interest between BDM and persons associated with BDM and the financial instrument issuer. If a conflict of interest arises BDM shall manage it by applying the principles defined in the “Policy of management of conflicts of interest at the BDM S.A.”. We point out that as for 10.08.2022:

- BDM states and assures that BDM is involved financially in financial instruments of the Issuer.
- BDM is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The person that participated in preparing recommendation is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The issuer does not hold shares exceeding 5 % of the BDM issued share capital,
- BDM is a market maker or liquidity provider in the financial instruments of the issuer,
- BDM has not been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer;
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25th July 2005,
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to section A and B od Annex I to the Directive 2014/65/EU of the European Parliament and of the Council (hereinafter the Directive 2014/65/EU),
- BDM is a party to an agreement with the issuer relating to the production of the recommendation,
- There is no other significant financial interest that BDM or its related affiliates have in relation to the issuer of financial instruments*
- There are significant connections between BDM or its related affiliates and the issuer of financial instruments,
- The person affiliated with BDM who was involved in the preparation of recommendations did not receive or purchase the shares of the issuer, to whom the recommendation relates directly or indirectly, prior to public offering of such shares,
- The person affiliated with BDM who was involved in the preparation of recommendations declares that they respect internal regulations and are subject to organizational and technical solutions and information barriers established by BDM to eliminate any conflicts of interest concerning recommendations and to avoid them,
- The person affiliated with BDM who was involved in the preparation of recommendations was not rewarded in any form by the issuer, to whom the recommendation relates directly or indirectly, or was not directly connected with any possible transactions concerning services defined in art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25th July 2005.

According to the best knowledge of the party recommending upon the publication of the report there are no other connections between BDM and the company described in this report that the party preparing this report would know of. However, the investor should be aware that the list disclosing conflicts of interest is long and that in the future there may occur situations leading to conflicts of interest which have not been identified or disclosed at the moment of publication of the report concerned. Especially, the investor should assume that BDM may submit an offer for services to a company or other companies mentioned in this report.

BDM is a party to the “ANALYTICAL REPORT PREPARATION AGREEMENT” concluded with the WSE.

BDM is subject to supervision by the Polish Financial Supervision Commission.

This document is a summary of a full version of the report prepared in Polish. In case of any disputes the Polish version shall prevail.