



**HUUUGE**



# **HUUUGE GROUP**

# **Report on Activities**

for the six-month period ended June 30, 2025

## Disclaimer

This Report on Activity of Huuuge Group for the six-month period ended June 30, 2025 (the “Semi-Annual Report”) has been prepared in accordance with §70 of the Regulation of the Minister of Finance of June 6, 2025 on current and periodic information published by issuers of securities and the conditions for recognizing information as equivalent required by the law of a non-member state. Since the separate data for Huuuge, Inc. and the consolidated data for the Huuuge Group are generally similar (trends are maintained for individual balance sheet and result items), the Board of Directors and Management perform and present a joint analysis for the separate and consolidated data.

Unless implied otherwise in this Semi-Annual Report, the terms “we” or the “Group”, refer to the Company together with all of its subsidiaries and the term the “Company” or “Issuer”, refers to Huuuge, Inc.

Unless indicated otherwise, references to statements as to beliefs, expectations, estimates and opinions of the Company or its management refer to the beliefs, expectations, estimates and opinions of the Company’s Board of Directors.

Certain arithmetical data contained in this Semi-Annual Report, including financial and operating information, have been rounded. Therefore, in certain instances, the sum of the numbers in a column or a row in tables contained in this Semi-Annual Report may not conform exactly to the total figure given for that column or row.

### Industry and Market Data

This Semi-Annual Report may include market share and industry data that we obtained from various third-party sources, including publicly available information concerning global social gaming industries. The information in this Semi-Annual Report that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as we are aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading. Where third-party information has been sourced in this Semi-Annual Report, the source of such information has been identified. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. To the extent these industry publications, surveys and forecasts are accurate and complete, we believe we have correctly extracted and reproduced the information from such sources. Additionally, industry publications generally state that the information contained therein has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and in some instances state that they do not assume liability for such information. We cannot therefore assure you of the accuracy and completeness of such information, and we have not independently verified such information.

In addition, in many cases, statements in this Semi-Annual Report regarding our industry and our position in the industry are based on our experience and our own investigation of market conditions. Comparisons between our reported financial or operational information and that of other companies operating in our industry using this information may not fully reflect the actual market share or position in the market, as such information may not be defined consistently or reported for all companies from our industry in line with how we define or report such information in this Semi-Annual Report.

While we are not aware of any mis-statements regarding the industry data presented herein, our estimates involve certain assumptions, risks and uncertainties and are subject to change based on various factors.

### Key Performance Indicators

Certain KPIs included in this Semi-Annual Report, including DAU, MAU, DPU, MPU, ARPDau, ARPPU and Monthly Conversion, are derived from management estimates, are not part of our financial statements or financial accounting records and have not been audited or otherwise reviewed by independent auditors, consultants or experts.

Our use or computations of these KPIs may not be comparable to the use or computations of similarly titled measures reported by other companies in our industry, by research agencies or by market reports. For that reason, comparisons using this information may not be reliable. Other companies, research agencies or market reporters may include other items or factors in their calculation of similar metrics and may use certain estimates and assumptions that we do not use when calculating these metrics. These factors may cause the calculations by others of similar metrics to differ substantially from our calculations if

their methodologies instead were used to calculate our KPIs. The KPIs are not accounting measures, but management believes that each of these measures provides useful information concerning the usage and monetization patterns of our games, as well as the costs associated with attracting and retaining our players. None of the KPIs should be considered in isolation or as an alternative measure of performance under IFRS, and their inclusion in this Semi-Annual Report does not mean that the Issuer will continue to report these KPIs in the future.

**Forward-looking statements**

The Semi-Annual Report includes forward-looking statements, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “targets,” “believes,” “expects,” “aims,” “intends,” “will,” “may,” “anticipates,” “would,” “could” or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results of operations, financial condition or prospects to materially differ from any of those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we currently operate and will operate in the future. These forward-looking statements speak only as at the date of approval of the Semi-Annual Report. We have no obligation and have made no undertaking to disseminate any updates of or revisions to any forward-looking statements contained in this Semi-Annual Report unless we are required to do so under the applicable laws.

Investors should be aware that several important factors and risks may cause our actual results of operations to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

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## Consolidated financial data

	USD	USD	EUR	EUR	PLN	PLN
in thousand USD	6m`2025	6m`2024	6m`2025	6m`2024	6m`2025	6m`2024
Revenue	121,190	130,325	110,848	120,571	469,183	520,467
Operating profit (loss)	43,227	34,638	39,538	32,046	167,352	138,331
Pre-tax profit (loss)	43,810	38,494	40,071	35,613	169,609	153,730
Net profit (loss)	37,068	31,611	33,905	29,245	143,508	126,242
Net cash flows from operating activities	47,621	32,733	43,557	30,283	184,363	130,723
Net cash flows from investing activities	2,931	(2,504)	2,681	(2,317)	11,347	(10,000)
Net cash flows from financing activities	(2,643)	(72,459)	(2,417)	(67,036)	(10,232)	(289,373)
Total net cash flows	47,909	(42,230)	43,821	(39,069)	185,478	(168,650)
Cash and cash equivalents at the end of the period	188,625	109,591	160,806	102,450	682,188	441,899
Number of shares at the end of period	59,984,981	59,984,981	59,984,981	59,984,981	59,984,981	59,984,981
Weighted average number of shares	56,079,757	60,371,117	56,079,757	60,371,117	56,079,757	60,371,117
Earnings per share basic (EPS)	0.66	0.52	0.60	0.48	2.56	2.08

	EUR	PLN	EUR	PLN
	6m`2025	6m`2025	6m`2024	6m`2024
Annual average exchange rate	1.0933	0.2583	1.0809	0.2504
Exchange rate at the end of the reported period	1.1730	0.2765	1.0697	0.2480

## Separate financial data

	USD	USD	EUR	EUR	PLN	PLN
in thousand USD	6m`2025	6m`2024	6m`2025	6m`2024	6m`2025	6m`2024
Revenue	515	447	471	414	1,994	1,785
Operating profit (loss)	22,416	42,042	20,503	38,895	86,783	167,926
Pre-tax profit (loss)	24,649	43,431	22,546	40,180	95,428	173,474
Net profit (loss)	24,550	42,410	22,455	39,235	95,045	169,395
Net cash flows from operating activities	41,992	6,977	38,408	6,455	162,571	27,868
Net cash flows from investing activities	1,579	(1,912)	1,444	(1,769)	6,113	(7,637)
Net cash flows from financing activities	(321)	(70,258)	(294)	(64,998)	(1,243)	(280,627)
Total net cash flows	43,250	(65,193)	39,559	(60,312)	167,441	(260,396)
Cash and cash equivalents at the end of period	114,847	15,116	97,909	14,131	415,360	60,948
Number of shares at the end of period	59,984,981	59,984,981	59,984,981	59,984,981	59,984,981	59,984,981
Weighted average number of shares	56,079,757	60,371,117	56,079,757	60,371,117	56,079,757	60,371,117

	EUR	PLN	EUR	PLN
	6m`2025	6m`2025	6m`2024	6m`2024
Annual average exchange rate	1.0933	0.2583	1.0809	0.2504
Exchange rate at the end of the reported period	1.1730	0.2765	1.0697	0.2480

## 1. General information

### **Huuuge, Inc. and its Group**

Huuuge, Inc. (the "Company", "Huuuge") is registered in Delaware, United States of America. Huuuge's registered office is located in Dover, Delaware, 850 New Burton Road, Suite 201, DE 19904. The Company was established on February 11, 2015.

The Issuer is a global enterprise with a team of around 300 people from 15 different nationalities, working in seven offices located around the world.

Since February 2021, shares of common stock are listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.).

### **Changes to the Group in first half of 2025**

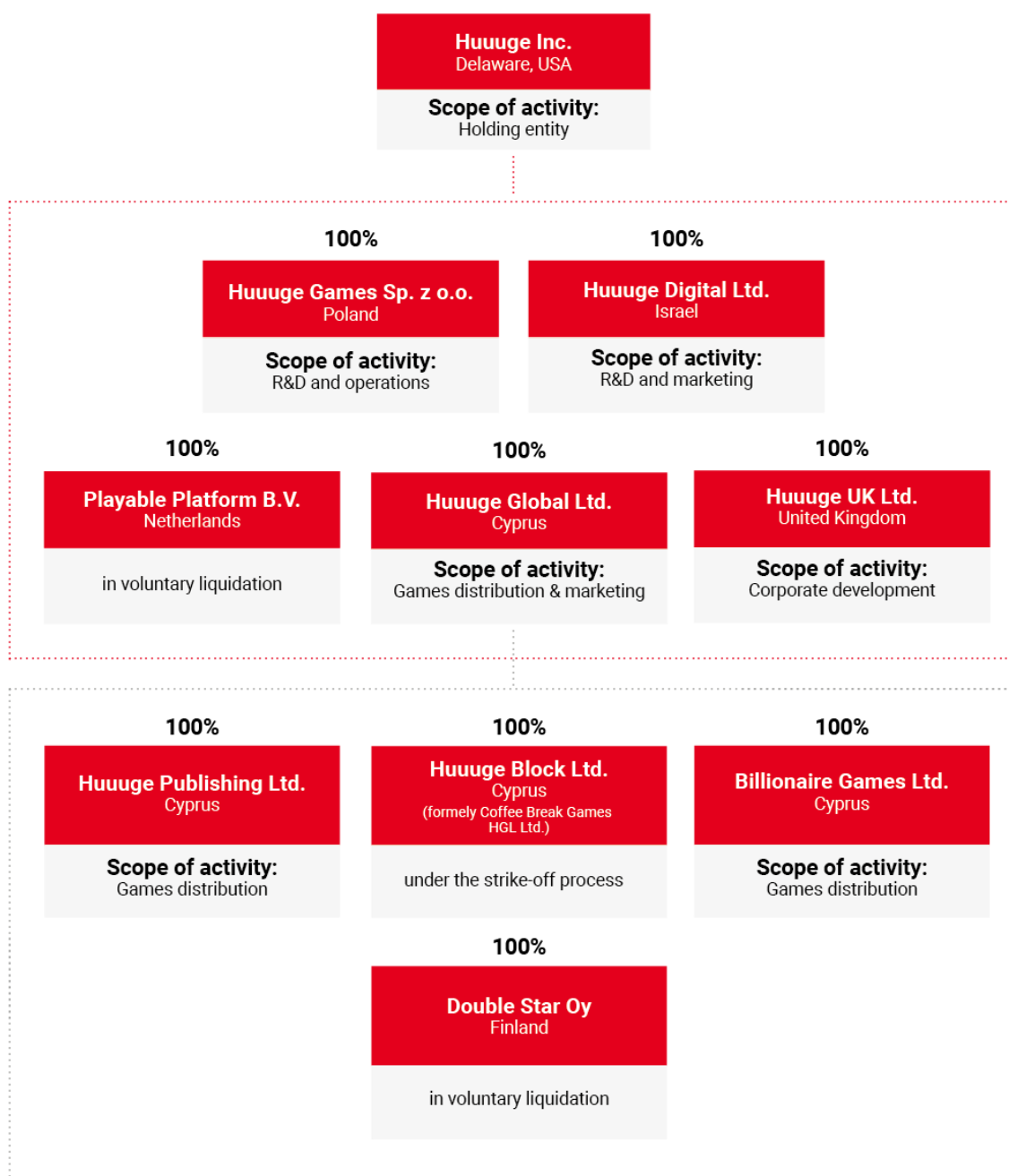
On March 24, 2025, Double Star Oy, the Finnish indirect subsidiary of the Issuer, entered into voluntary liquidation proceedings. The process of liquidation of the subsidiary is ongoing as of the date of approval of this Report for publication.

On March 31, 2025, Playable Platform B.V., the Dutch subsidiary of the Issuer, opened voluntary dissolution proceedings. The dissolution process of the subsidiary is ongoing as of the date of approval of this Report for publication.

As of June 30, 2025, the Huuuge Group ("the Group") consisted of Huuuge, Inc. (the parent company), five subsidiaries fully and directly controlled by the Company, and four subsidiaries fully controlled by the Company through Huuuge Global Ltd., based in Limassol, Cyprus. All companies are consolidated using the full consolidation method.

On 17 March 2024, the Issuer concluded an investment in Bananaz Studios Ltd. ("Bananaz") as described in Current Report No. 13/2024. In May 2025, the Issuer and other investors in Bananaz executed documents confirming that the Issuer will not further finance Bananaz, and the concluded call option deed will be terminated. As agreed by the parties, the initial payment in the amount of USD 3.5 million was converted into 5.8% of the shares in the share capital of Bananaz without additional consideration. As a result, as of the date of approval of this Report for publication, Huuuge, Inc. holds 5.8% of the shares in the share capital of Bananaz.

The below shows the current structure of the Group with percentage shareholding in share capital of each entity.



## The Board of Directors

In accordance with the Certificate of Incorporation and Bylaws, the Board of Directors consists of five (5) Directors, of which: (i) one (1) director (the "Series A Director") is elected by holders of the majority of outstanding Series A Preferred Shares carrying voting rights by submitting to the Board of Directors written consent signed by holders of the majority of the Series A Preferred Shares, (ii) two (2) Directors (the "Series B Directors"), are elected by the holders of the majority of outstanding Series B Preferred Shares entitled to vote at such a meeting by providing the Board of Directors with written consent signed by holders of the majority of the Series B Preferred Shares, provided that one such Series B Director, to be qualified, shall be Anton Gauffin, and (iii) the remaining Directors are elected by the holders of Common Shares.

Directors of the Company are appointed for term of office terminating on a date of the next Annual General Meeting or until his successor has been elected and qualified, or until his earlier death, resignation, removal or retirement.

On April 18, 2025, the General Meeting of Shareholders of the Issuer re-elected Mr. Krzysztof Kaczmarczyk and Mr. Tom Jacobsson as Independent Directors of the Company for a term ending on the date of the next General Meeting of Shareholders.

Furthermore, on April 18, 2025, in connection with the election of the new composition of the Board of Directors by the General Meeting of Shareholders of the Issuer – pursuant to Article V, Section 5.2 of the Issuer’s Fifth Amended and Restated Certificate of Incorporation:

1. The holders of a majority of the issued Series A Preferred Shares re-elected Mr. John Salter to serve another term as Series A Director, effective as of the date of the Issuer’s Annual General Meeting of Shareholders, i.e., April 18, 2025. He shall hold office until the next Annual General Meeting of Shareholders.
2. The holders of a majority of the issued Series B Preferred Shares re-elected Mr. Henric Suuronen and Mr. Anton Gauffin to serve another term as Series B Directors, effective as of the date of the Issuer’s Annual General Meeting of Shareholders, i.e., April 18, 2025. They shall hold office until the next Annual General Meeting of Shareholders.

The following table includes information about acting members of the Board of Directors as at the date of approval of this Report for publication.

Name	Function	Year of appointment for the current term of office	Year of expiry of the term of office
Anton Gauffin	Executive Chairman of the Board & Executive Director	2025	2026
Henric Suuronen	Non-executive Director	2025	2026
John Salter	Non-executive Director	2025	2026
Krzysztof Kaczmarczyk	Non-executive Director (independent)	2025	2026
Tom Jacobsson	Non-executive Director (independent)	2025	2026

#### The Officers

On January 16, 2025, the Board of Directors of the Issuer received the resignation of Mr. Marek Chwałek from the position of Treasurer, effective as of April 1, 2025. On the same day the Board of Directors adopted a resolution to appoint Mr. Maciej Hebda as Treasurer, with effect from the same date.

#### Annual General Meeting

On April 18, 2025, Annual General Meeting took place, during which the current directors were reappointed, as indicated in detail in current report nr 9/2025 dated April 18, 2025.

## 2. Company Business Profile

Huuuge is a global game developer and publisher on a mission to build the world's most social real-time, free-to-play mobile games portfolio. We strive to become the global leader in real-time free-to-play casual gaming, we aim to redefine the experience to give maximum joy and fun to players all around the world. Huuuge's games provide entertainment every month to millions of players from 174 countries and are available in 32 languages. Huuuge shares have been listed on the Warsaw Stock Exchange since February 2021.

The primary business activity is:

- Production of mobile games in a free-to-play model (a game distribution formula that does not require payment for downloading the game or paying a subscription fee),
- Distribution and acquisition of users for our own mobile games.



### MISSION

Empower billions of people to play together



### VISION

Transform mobile gaming into a massively social experience

#### Key products

Huuuge develops and publishes games that are easy to play, great for small breaks and longer sessions alike, and designed around our social-first, "play together" ethos. The social-first nature of our games is based primarily upon the ability of our players to chat, play and compete with one another in-game and in real time. The concept of playing together with others is central to the Group's approach to game design. We are one of the market leaders in implementing real-time multiplayer mechanics at scale in social casino games.

Our core franchises are Huuuge Casino and Billionaire Casino. Together, they generated 98% of Huuuge's total revenues in the first six months of 2025. Our legacy games generated 2% of total revenues and include different titles at various stages of their life cycle.



**Huuuge Casino:** The game was launched in June 2015. It is Huuuge's flagship title responsible for 65% of total six-month 2025 revenue and for almost USD 1.5 billion in lifetime revenue. Huuuge Casino was a true pioneer with its mobile-first user experience and real-time PvP-style gameplay. We believe that it was the first social casino game to introduce features such as clubs to the realm of social casino games. Huuuge Casino offers players over 100 casino slot machines, as well as card games and roulette. The game enables players to join a club and compete in a Billionaire League, with multiplayer slots where they can play with friends and compete against each other. Huuuge Casino is ranked #24 (Apple App Store) and #10 (Google Play) among social casino apps in the United States in terms of revenue as at June 30, 2025.



**Billionaire Casino:** The game was launched in October 2016. Its revenue has grown rapidly since its release. It has achieved approximately USD 0.7 billion of lifetime revenue and constitutes 33% of our total six-month 2025 revenues. Due to its aesthetic, which is different from that of Huuuge Casino, Billionaire Casino is targeted at a different player base in terms of demographics. Similar to Huuuge Casino, Billionaire Casino offers players a number of casino slot machines, as well as card games and roulette. Billionaire Casino allows players to create a club with their friends or join a club and meet new people while playing slot machines. In addition, the game allows players to participate in club events by playing slots and other casino games. Billionaire Casino is ranked #43 (App Store) and #26 (Google Play) among social casino apps in the United States in terms of revenue as at June 30, 2025.

#### **Ceasing our development activities in the casual games subgenre**

As part of our strategic realignment, we have decided to cease our development activities in the casual games subgenre and focus our efforts on the social casino market, as outlined previously. Given the evolving industry landscape and our core strengths in player monetization, social engagement, and live operations, we see greater opportunities in expanding our presence in the markets adjacent to the social casino space.

During the organizational restructuring and group layoffs, we made the decision to discontinue Huuuge Pods dedicated to casual games and to cease further internal investment in this subgenre. This shift allows us to concentrate our resources on markets where we can maximize growth potential and leverage our expertise to deliver high-value gaming experiences.

### **3. Shares and Significant Shareholders Structure**

#### **Share capital structure of Huuuge**

As of the date of approval of this Report for publication, the share capital structure of the Issuer is as follows:

- The authorized capital comprises 85,300,474 shares divided into two classes, consisting of (i) 85,300,472 shares of common stock with a par value of \$0.00002 per share and (ii) 2 shares of preferred stock with a par value of \$0.00002 per share, divided into two series consisting of 1 Series A share of preferred stock with a par value of \$0.00002 per share and 1 Series B share of preferred stock with a par value of \$0.00002 per share;
- The issued capital is 59,984,981 and consists of (i) 59,984,979 shares of common stock with a par value of USD 0.00002 per share and (ii) 2 shares of preferred stock with a par value of USD 0.00002 per share, divided into two series consisting of 1 Series A share of preferred stock with a par value of USD 0.00002 per share and 1 Series B share of preferred stock with a par value of USD 0.00002 per share.

#### **Treasury Shares**

As of December 31, 2024, the number of Treasury Shares held by the Company amounted to 3,915,282 with total par value of USD 78.31 and representing 6.53% of the share capital of the Company issued at the time.

During the period of the first six months of 2025, the Company's Board of Directors approved allocation of up to 33,714 Treasury Shares for the exercise of employee stock options (all were exercised and delivered by the date of approval of this Report for issue).

As of the date of approval of this Annual Report for issue, the number of Treasury Shares held by the Issuer amounted to 3,881,568 with total par value of USD 77.63 and representing 6.47% of the share capital of the Company.

#### **Significant Shareholders**

To the best of the Company's knowledge, as of the date of publication of this Quarterly Report, the below tables show the shareholders holding (directly or indirectly through subsidiaries) at least 5% of the total number of votes at the Issuer's general

meeting as of the date of publication of this Report i.e. September 18, 2025 and as of the date of the publication of the previous periodic report, i.e. May 27, 2025.

#### As of 18 September, 2025

<i>Number of shares/votes</i>	59,984,981		59,984,981	
<b>Shareholder</b>	<b>Shares</b>	<b>% of share capital</b>	<b>Votes</b>	<b>% of votes at the General Meeting</b>
Anton Gauffin (through Big Bets OÜ) <sup>1</sup>	18,773,294	31.30	18,773,294	31.30
Raine Group (through RPII HGE LLC) <sup>1</sup>	7,600,966	12.67	7,600,966	12.67
Nationale-Nederlanden Pension Fund	5,688,696	9.48 <sup>2</sup>	5,688,696	9.48 <sup>2</sup>
Huuuge Inc. <sup>3</sup>	3,881,568	6.47	3,881,568	6.47
<i>Others</i>	24,040,457	40.08	24,040,457	40.08

<sup>1</sup> Including one Preferred Share;

<sup>2</sup> According to the Nationale Nederlanden notification dated May 4, 2022 notified in the Current Report 19/2022, percentage of shareholding and voting power as calculated by the Company as of the date of publication of this Report.

<sup>3</sup> The Company cannot exercise voting rights from its treasury shares according to Delaware law.

#### As of May 27, 2025

<i>Number of shares/votes</i>	59,984,981 <sup>1</sup>		59,984,981 <sup>1</sup>	
<b>Shareholder</b>	<b>Shares</b>	<b>% of share capital</b>	<b>Votes</b>	<b>% of votes at the General Meeting</b>
Anton Gauffin (through Big Bets OÜ) <sup>2</sup>	18,773,294	31.30	18,773,294	31.30
Raine Group (through RPII HGE LLC) <sup>2</sup>	7,600,966	12.67	7,600,966	12.67
Nationale-Nederlanden FUNDS <sup>3</sup>	5,688,696	9.48 <sup>2</sup>	5,688,696	9.48 <sup>2</sup>
Huuuge Inc. <sup>4</sup>	3,884,071	6.48 <sup>3</sup>	3,884,071	6.48 <sup>3</sup>
<i>Others</i>	24,037,954	40.07	24,037,954	40.07

<sup>1</sup> 59,984,979 Common Shares are introduced to public trading on the Warsaw Stock Exchange as of the date of approval of the Annual Report for publication. Moreover, two shares of the Company are Preferred Shares and have not been introduced to public trading.

<sup>2</sup> Including one Preferred Share;

<sup>3</sup> According to the notification dated May 4, 2022 notified in the Current Report 19/2022, percentage of shareholding and voting power as calculated by the Company as of the date of publication of this Quarterly Report.

<sup>4</sup> The Company cannot exercise voting rights from its treasury shares according to Delaware law.

Each holder of common shares, as such, and each holder of Preferred Shares, is entitled to one vote for each Common Share or Preferred Share, respectively.

There are no restrictions on the exercise of voting rights. Unless otherwise expressly required by law or stipulated in the Certificate of Incorporation, the holders of Common Shares and Preferred Shares vote together as a single class on all matters submitted to a shareholder vote. The Certificate of Incorporation and the Bylaws do not stipulate any restrictions on the transfer of ownership of the Company's securities.

#### Number of shares held by the members of the Board of Directors

The table below presents, to the best of the Company's knowledge, the shares and outstanding stock options held directly or indirectly by the Company's Board of Directors as of the date of publication of this Report and as of the date of the publication of the previous periodic report, i.e. May 27, 2025.

#### As of September 18, 2025

Members of the Company's Board of Directors	Function	Common Shares	Outstanding Stock Options
Anton Gauffin (through Big Bets OÜ) <sup>1</sup>	Executive Chairman of the Board & Executive director	18,773,294	425,000
Henric Suuronen	Non-executive director	1,673,610	-

<sup>1</sup> Anton Gauffin also holds one Series B Preferred Share through Big Bets OÜ.

#### As of May 27, 2025

Members of the Company's Board of Directors	Function	Common Shares	Outstanding Stock Options
Anton Gauffin (through Big Bets OÜ) <sup>1</sup>	Executive Chairman of the Board & Executive director	18,773,294	425,000
Henric Suuronen	Non-executive director	1,673,610	-

<sup>1</sup> Anton Gauffin also holds one Series B Preferred Share through Big Bets OÜ.

The remuneration of Mr. Anton Gauffin, holding the positions of the Executive Chairman of the Board of the Company, includes 425,000 share options.

The vesting conditions for the outstanding options are the following:

- 50,000 options with a vesting condition to provide the service continuously for about four years from the service commencement date. The service condition was fulfilled.
- 375,000 options with a variable vesting period due to the market condition, i.e., the condition to meet the Company's market capitalization milestones. The Group's management estimated that, in total, six years of continuous service from the commencement date will be required for options to vest.

Similarly to other share-based payments in the Group, for this program, staged vesting applies, i.e., each installment has a different vesting period and is treated as a separate award with a different vesting period.

#### Principles for the preparation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements as at and for the six-month period ended June 30, 2025 and the interim condensed separate financial statements as at and for the six-month period ended June 30, 2025 were prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union.

## 4. Key Risk Factors

### 4.1 Risk Factors

The identification of risk factors takes place on the basis of the implemented risk management system. The risk management process has been formally established in the organization based on the Risk Management Policy.

The risk management process includes:

- risk identification;
- risk analysis (description and assessment);
- risk evaluation;
- risk mitigation;
- risk monitoring and reporting.

The most important goals of the Risk Management System include:

- identification, analysis, assessment and evaluation of risks;
- improvement of coherence of the approach to risk management;
- ensuring comparability of risks occurring in different areas of organization;
- creating a correlation between the operational and strategic level of risk management;
- reducing the impact of adverse incidents;
- better preparation for adverse incidents and minimization of losses caused thereby.

All employees of the organization are involved in the risk management process. The most important functions are performed by the Board of Directors, Audit Committee, Executive Management, Risk Officer and Risk Owners.

**Determination and concise naming of the most important occurring or possible events or phenomena threatening or affecting the implementation of the goals of Huuuge Group.**

Risk assessment facilitates determining the probability and impact of a risk in relation to selected scenarios (based on the causes and results indicated in the risk analysis). The assessment is performed on the basis of defined scales. The descriptions included therein are of an auxiliary nature and, in the case of any doubts, the score of the assessment shall have priority.

Risk evaluation compares the risk value with the previously assumed criteria, as well as identifying risks requiring the implementation of mitigation plans.

At the time of the publication of this report, the following material risk factors have been identified. However, the risk factors and uncertainties described below by the Group are not the only risk factors the Group faces. Additional risks and uncertainties that the Group is not aware of or currently considers to be insignificant may also have a significant adverse effect on the business, financial condition and operational results and prospects of the Group.

**If we are unable to successfully attract new players or if we lose our current players, our business could be negatively affected. We rely on purchases from a small percentage of our players for nearly all of our revenue. If we are unable to entice players to make in-app purchases or engage with our games in ways that generate revenue, our business could be negatively affected.**

Our business depends on developing and publishing games that players download and spend time and money playing. The nature of our industry is that we develop and test hundreds of ideas and games, but subsequently focus only on the titles or features that exhibit the most promising key performance indicators ("KPIs"). Only a handful of our games (or new game features) make it to soft launch and even fewer progress to full launch and scaling. We cannot guarantee that high-quality games, even if favorably reviewed by players, will become "hits". Similarly, we cannot guarantee that new features that we implement in our games, even if favorably received by our players, will have a meaningful positive impact on our revenue.

The growth of our business largely depends upon our ability to attract new players to our existing and new games, as well as on retaining existing players of our games. Our success in doing so is conditional in part on unpredictable and volatile factors beyond our control, including customer preferences, competing games, the popularity of other forms of entertainment and economic conditions adversely affecting consumer spending.

Currently, we derive 99% of our revenue from in-app purchases. As our games are available to players for free, we generate revenue from them only if they make in-app purchases. If we fail to offer games that entice players to make in-app purchases or if we fail to properly manage the economics of free versus paid currency, or if we fail to entice players to engage with our games in ways generating revenue, this could materially and adversely affect our business, operating results and financial condition.

We rely on a small percentage of our players for nearly all of our revenue. However, we lose paying players in the ordinary course of business, and they may stop making purchases in our games or playing our games altogether at any time. In order to

sustain or increase our revenue levels, we must attract new paying players or increase monetization across the current player base.

Measurement of marketing performance has deteriorated significantly with the depreciation of the IDFA (Apple's ID For Advertisers). This has made it more challenging to maintain existing campaign performance and payback periods. In response, we have been actively lowering spend levels to maintain and/or improve our payback periods. We continue to adapt our user acquisition strategy to the new post-IDFA market reality, such that budgets have been shifted to partners with better post-change performance.

**Revenue concentration in a small number of games**

The majority of our revenue is generated by a small number of our games, which could negatively affect our business. For example, our most popular games generating the highest revenue are Huuuge Casino and Billionaire Casino. These top two franchises historically have contributed the majority of our revenue, accounting for 98% of our revenue in 2024, 96% of our revenue in 2023, 93% of our revenue in 2022 and 88% of our revenue in 2021. If we are unable to diversify our portfolio of games in the long run and increase the popularity and improve the monetization of our existing games or the games we develop in the future, it could have a material adverse effect on our business, operating results and financial condition.

**Dependence on third parties' services**

We rely, to varying degrees, on a number of third-party vendors, service providers and game developers, as well as strategic partners, to efficiently operate our business, develop games and meet the expectations of our players. In particular, some elements of the provision and distribution chain of our gaming services are operated by third parties we do not control and which it would take significant time to replace.

We are highly dependent on distribution platforms when offering our games to players. Any adverse changes in our existing arrangements with these third parties or changes to third parties' policies or terms of service, including an inability to fulfill their obligations in a timely manner or an inability to enter into or renew arrangements on favorable terms, if at all, could reduce the quality, revenue or availability of our games. Above changes could also negatively impact our ability to offer our existing or future games, or restrict the availability of certain features.

**Changes in gaming technologies and hardware preferences**

We rely, to varying degrees, on mobile and PC based hardware and specific gaming technologies (middleware like Unity) to make our games performance attractive and interactive for our users to play our games. If new immersive technologies and hardware would become successful or become a de facto new standard for online games, we would have to develop new versions of our existing and new games. As technologies differ in their capabilities, performance, compatibility across platforms and operating systems, differences between performance and gameplay within systems might affect perception of our games. If we introduce games using new hardware or technologies when it is unclear if they would be widely accepted by users or opposite - introduce new standards very late to our games, when a significant market shift has already occurred, our financial performance might be affected.

**Ability to retain skilled employees and further develop an attractive employer brand**

The Group strives to continue to build a reputation of being an attractive employer brand and to ensure our reward and recognition practices remain competitive. The Group has implemented a number of procedures to engage dynamically with its employees and act on constructive feedback to improve our workplace. We undertake employee engagement surveys and carry out salary benchmarking to ensure our core salaries remain competitive in addition to our competitive benefits packages.

**Artificial Intelligence (AI) generated content present both risk and opportunities**

The incorporation of AI-generated content can substantially reduce costs of game development and speed to market. However it may limit innovation and creativity which are differentiating factors across games, leading to excessive homogenization of gaming products. Legal ambiguity surrounding AI-generated works creates copyright concerns. Dynamic nature of AI-generated content and tools can lead to unexpected or unwanted game elements, requiring a careful balance between AI's creative freedom and the need for a coherent gaming experience.

We acknowledge AI algorithms utilized in gaming have the potential to inadvertently distribute biases and inequalities, be it in character design, dialogue systems, or gameplay mechanics. Also AI generated content must follow extended verification to ensure it is not violating any existing rights, patents and other elements belonging to 3rd parties. We need to ensure AI models are trained on diverse and non-discriminatory datasets and do not create output which can be subject to 3rd party infringements.

**Disruption of IT infrastructure, networks and systems and IT gaps**

We rely on information technology infrastructure, networks and systems that are important to the operation of our business. We use such infrastructure, networks and systems to operate our games and to manage and secure our business and data, particularly with respect to internal communications, controls and reporting and relations with suppliers.

Some of such infrastructure, networks and systems are managed or provided by third parties. These third parties are typically under no obligation to renew agreements relating to such infrastructure, networks and systems, and there is no guarantee that we will be able to renew these agreements on terms similar or better to current ones. In addition, our information technology infrastructure, networks and systems – including those operated by third parties – may experience breaks, suspensions or stoppages of service, or we may experience system crashes in connection with system integration or migration work. Any disruption or failure in these infrastructure, networks and systems could adversely affect the availability of games, could slow them down or could otherwise disrupt the functionality or operations of the relevant business. At the same time, response and actions taken for the case of CrowdStrike update bug confirm that relevant internal teams have sufficient skills and tools to effectively manage similar risks on the current phase of company development

As a result of technological advancements, our IT infrastructure may become outdated or inadequate for our business needs. If we are unable to keep our systems and infrastructure current with evolving technologies our operations or growth may be impeded.

**Undetected errors, bugs or vulnerabilities**

Our games and other software applications and systems, as well as the third-party platforms upon which they are made available, could contain undetected errors, bugs or vulnerabilities that could adversely affect the performance of our games, some of which may only be detected after the code has been released for external or internal use. For example, such types of defects could prevent our players from making in-app purchases, harm the overall game-playing experience for our players, delay game introductions or enhancements, cause measurement errors, result in our games being non-compliant with applicable laws or create legal liability for us. We have experienced some of these issues in the past, including lags in gameplay, in-app purchase errors, game data corruption and problems with players' access to our games. We resolved most of these issues on a timely basis, but we cannot guarantee that we will be able to do so in the future. Moreover, resolving such errors, bugs or other vulnerabilities could disrupt our operations or cause us to divert resources from other projects.

**Failure to successfully pursue or implement new business initiatives**

In order to grow our business, we need to evaluate, consider and effectively implement new business initiatives. Management may not properly ascertain or assess the risks associated with these new initiatives, and subsequent events may arise that would render our initial assessment of the economic merits of a particular initiative uneconomic.

The market of new technologies is developing rapidly therefore we constantly monitor new technologies and IT solutions in order to quickly adapt to the solutions introduced to the market. The failure to analyze or delayed implementation of new technologies may result in a loss of competitiveness in the market, which could have a negative impact on our operating activities and financial results.

**Business acquisitions and integrating acquired operations could divert the attention of our management and otherwise disrupt our operations**

As a part of our strategy, we may currently and in the future explore acquisitions to strengthen our market position in selected game genres and expand our game development talent pool. We may use our excess cash to finance extraordinary growth events such as potential acquisitions, if the opportunity arises. We cannot guarantee we will be able to identify acquisition targets that help us to achieve our growth strategy, or that the transactions we may consider will be completed or prove to be

successful or accretive. Acquisitions and integration related processes could divert our management's attention from other business concerns and also lead to the use of resources that are needed in other parts of our business.

**Real or perceived inaccuracies in our performance metrics**

We track certain performance metrics, such as Installs, DAU, DPU, ARPDau, ARPPU, Monthly Conversion. Our performance metrics tools have limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including those we report. If our performance metrics are not accurate representations of our business, player base or traffic levels, or if we discover material inaccuracies in our metrics or if those we rely on to track our performance do not provide an accurate measurement of our business, we may fail to obtain an accurate understanding of the performance of our business, our reputation may be significantly harmed, or we may lose the confidence of players, analysts or business partners, and this could adversely affect our business, operating results and financial condition.

**Ineffective protection of our intellectual property**

Intellectual property rights are an essential element of our business. We rely on a combination of different intellectual property rights such as trademarks, patents and copyrights relating to our games, and proprietary or confidential information that is not subject to formal intellectual property protection.

While we create most of the intellectual property we use internally, we also license intellectual property such as, in particular, games (as a whole) and software development kits ("SDKs") from third parties. In particular, our games use SDKs provided by, among others, Facebook and Google. We also purchase or license, in whole or in part, photos, videos and audio used in our games from third parties, including Shutterstock and Envato. We rely on licenses for all of our third-party publishing.

Despite our efforts to protect our owned and licensed intellectual property, unauthorized parties may attempt to copy or otherwise obtain and use our technology, games or brands. There is a risk that the actions we take will not be sufficient to protect our owned and licensed intellectual property. Furthermore, our use of third-party intellectual property may inadvertently violate the rights of third parties, and therefore we could become subject to infringement claims, which we already occasionally face.

**Third-party intellectual property rights may limit our development**

We need to continuously adapt our games to incorporate new technologies. If such technologies are protected by the intellectual property rights of our competitors or other third parties, we may be prevented from introducing games based on these technologies or expanding into markets or platforms created by these technologies.

We license SDKs, which may be integrated into our own products and are required, among other reasons, to allow our players to connect their game accounts with their social media ones. If the owners of these SDKs, such as Google and Facebook, change the license terms in a manner that limits our ability to use the SDKs or integrate with their platforms, our business, operating results and financial condition may be adversely affected.

We also use open source software in our games and expect to continue to do so. Some open source software licenses require users who distribute open source software to publicly disclose all or part of the source code to such software or make available any derivative works of the open source code without protection or at no cost. In addition, provisions of various open source licenses have not been interpreted by courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or limitations on our use of the open source software. If our use of open source software is not in compliance with a particular license, we may be required to release our proprietary source code, pay damages for breach of contract, re-engineer our games or products, discontinue distribution in the event that reengineering cannot be accomplished on a timely basis, or take other remedial action that may entail additional expenses or limit our activities.

**Ineffective protection of confidential information**

Our management and key employees have access to sensitive confidential information relating to our business such as insights about strategic developments, business case planning and core technology. In the event that competitors, third parties or the general public gain access to such confidential information, whether on purpose or by accident, our market position could be materially weakened depending on the scope of such information.

**We could be the target of cyber-attacks, piracy, database security breaches or hacking**

Our industry is prone to, and our games, systems and networks are subject to, cyber-attacks, viruses, worms, phishing attacks, malicious software, break-ins, theft, computer hacking, employee error or malfeasance or other security breaches that may exploit, damage, or disrupt the functioning of our games, networks or technological infrastructure. Physical locations where our IT infrastructure is located, as well as our hardware, may also be subject to break-ins, theft or damage.

Any security breach or incident that we experience could result in unauthorized access to, misuse of, or unauthorized acquisition of our or our players' data, the loss, corruption or alteration of this data, interruptions to our operations, unavailability or malfunctioning of our games, or damage to our computers or systems or those of our players or third-party platforms. Furthermore, third parties, such as hosted solution providers or third-party platform operators that provide services to us, could also be a source of security risks in the event of the failure of their own security systems and infrastructure.

As threats related to cyber-attacks develop and grow, we may also find it necessary to make further investments to protect our data and infrastructure.

Unauthorized operators may develop "hacks" or other types of "cheating" software enabling players to alter the intended game play, abuse or exploit the mechanics of our games and, therefore, obtain unfair advantages in our games, or otherwise obtain virtual currency or other benefits available in our games. These may have a negative impact on the volume of in-app purchases and the amount of revenue we collect from players. In addition, such "hacks" or other similar vulnerabilities may result in increased costs of developing technological measures to respond to them.

The Russian invasion of Ukraine, and the associated developments on the international arena, could result in an increased frequency of cyber-attacks, which may affect our systems. We have taken action to analyze the impact of various types of cyber-attacks and have implemented additional security measures commensurate with the potential increase of such risk; however, the Group cannot assure it would efficiently remedy this risk also in the future.

**Fluctuations in foreign exchange rates and inflationary pressures could negatively impact our business.**

Our activities and businesses expose us to fluctuations in currency exchange rates between USD and other currencies, such as the Polish zloty and the euro. These fluctuations may reach significant levels during periods of increased market volatility related to, for example, the Russian invasion of Ukraine, the Covid-19 pandemic, climate change, or other events increasing uncertainty in the global economy.

Our performance may also be affected by inflationary pressures and their impact on consumer spending patterns, which could result in decreased spending on leisure and entertainment, and thereby negatively impact our revenues.

**Our success and continued growth are heavily reliant on the experience and talent of our managers and skilled employees**

The successful operation of our businesses and the successful implementation of our strategy are dependent on the experience of our managers and key personnel. Due to the specifics of the industry we operate in, we are dependent on our highly skilled, technically trained and creative employees, whose high competences and knowledge translates into developing new technologies and creating innovative games. Competition for employees, particularly game designers, engineers and project managers with desirable skill sets is intense, and we devote significant resources to identifying, hiring, training, successfully integrating and retaining these employees.

Our future success depends in part on our ability to retain highly qualified managers active in the mobile games industry who have had a significant impact on our development, as well as on our ability to attract and retain skilled employees able to effectively operate our business. We cannot guarantee that we will be able to attract and retain such managers or skilled employees in the future, and the costs associated with retaining them may impact our profitability or financial results.

**Changes in tax laws or tax rulings, or the examination of our tax position, could materially affect our financial condition and results of operations**

We are subject to complex tax legislation in the various countries in which we operate. In particular, given the international scope of our business and our structure, we are subject to rules on transfer pricing. Moreover, GAAR and the focus of tax regulations on real business substance may have an increasing impact on international taxation.

For example, we sell services or use intellectual property through legal entities that must necessarily procure these services or license such intellectual property within a group. Therefore, we perform numerous intercompany transactions. The jurisdictions in which we operate generally have transfer pricing regulations that require transactions involving related parties to be undertaken on properly documented arm's length terms and conditions. If the tax authorities in a particular jurisdiction do not regard intra-group transactions as being made on a properly documented arm's length basis and successfully challenge such transactions, or otherwise adopt a differing approach on the attribution of revenue or profits between our various group entities, the amount of tax payable by the relevant member or members of our group, in respect of both current and previous years may increase, and we may be subject to penalties or fines, or required to make interest payments.

In addition, we provide services whose price is subject to direct and indirect taxes in various countries, such as value added tax. The complexity of our business model may complicate an understanding of the legal obligations in the relevant tax application. We may also be subject to double taxation in jurisdictions with multiple tax authorities or incompatible tax regimes. In addition, applicable tax rates could increase. A significant increase in value added tax rates could negatively affect our activity, especially customer demand, which could have a material adverse effect on our business, operating results and financial condition.

Changes in tax treaties, laws, rules or interpretations or the outcome of tax audits could have an adverse effect on our business. The tax laws and regulations in the jurisdictions in which we operate may be subject to change; for example, a substantial amendment may be introduced to the taxation of digitized companies. New tax laws or regulations may be introduced with or without retroactive effect and there may be changes in the interpretation and enforcement of such tax laws or regulations.

If the relevant tax authority challenges our tax position, through audits or otherwise, and is successful, our effective tax rate may increase, and we may be required to pay additional taxes, penalty charges and interest, and we may incur costs in defending litigation or reaching a settlement with the relevant tax authority. We could be liable for amounts that are either not covered by or are in excess of our established reserves. Any of the foregoing situations could have an adverse effect on our business, operating results and financial condition.

#### **Competition in the gaming industry**

The gaming industry, which includes social casino games and the Free to Play segment (from which we derive the majority of our revenue), is considered to be a highly competitive and rapidly evolving industry with relatively low barriers to entry. We are experiencing, and are likely to experience in the future, competition from other developers and publishers in the gaming category. Our competitors range from established interactive entertainment companies to emerging start-ups, and we expect new competitors to continue to emerge globally.

#### **Our operations depend on third-party platforms used to offer our games**

Our social gaming offerings operate mainly through Apple's App Store and Google's Play Store, which also serve as significant online distribution platforms for our games and provide us with valuable information and data. Consequently, our operations depend on our continued relationships with these providers, and any emerging platform providers that are widely adopted by our target player base.

We are subject to the standard terms and conditions that these platform providers have for application developers, which govern the promotion, distribution and operation of games and other applications on their platforms, and which the platform providers can change on a discretionary basis and unilaterally on short notice or without notice.

Moreover, Internet-connected devices and operating systems controlled by third parties increasingly contain features that allow device users to disable functionality that allows for the delivery of advertising on their devices, including through Apple's Identifier for Advertising, or IDFA, or Google's Advertising ID, or AAID, for Android devices. Device and browser manufacturers may include or expand these features as part of their standard device specifications. If players elect to utilize the opt-out

mechanisms in greater numbers, our ability to deliver effective targeted advertisements would suffer, which could adversely impact our revenues from in-game advertising (currently less than 1% of Huuuge's Group overall revenue).

In addition, new regulations and increased focus on data protection may result in changes to the data protection policies of the platform providers, which we will be required to implement. We cannot exclude the possibility that our games, in particular social casino games, will be targeted by other limitations introduced by third-party platform providers or our advertising and marketing partners concerning, among others, user acquisition and advertising revenue.

Changes in third-party platforms classification of or approach towards social casino games or certain game features (such as loot boxes) could restrict the availability of our games or of certain game features on those platforms or to users in certain jurisdictions.

If similar events occur and we are unable to address them effectively, or if other similar issues arise that impact players' ability to download our games, access social features or purchase virtual currency, it could have a material adverse effect on our business, operating results and financial condition.

**We operate in an industry characterized by an evolving and partially unclear regulatory environment**

Generally, social gaming, including but not limited to social casino games, is not explicitly regulated in the markets where we operate; however, as the mobile and online game industry evolves, so too are regulations evolving and, as a result of this evolution and possible changes in the approach of legislators, regulators and courts, we cannot exclude the possibility that our activities could be regulated in ways that could adversely affect our business.

In some jurisdictions, there is growing opposition from regulators, public interest groups and/or media towards mobile and online gaming, including social casino games or social gaming, as well as towards specific in-game features, such as loot boxes. Such opposition could lead these jurisdictions to adopt legislation or impose or enforce an existing regulatory framework to govern mobile and online gaming, broadly or more specifically, for example social gaming, or in-game features such as loot boxes. Alternatively, jurisdictions or regulators could seek to apply laws expansively we do not believe are applicable to our games to certain types of games we offer or to games containing certain features or characteristics.

Courts may also interpret or apply laws in a manner adverse to us, notwithstanding the position taken by the relevant gambling authority, and this may compromise our ability to continue to offer our games in particular jurisdictions.

We believe that our games do not constitute gambling in the jurisdictions in which we operate, particularly due to the free access and lack direct monetary rewards; however, we cannot exclude the possibility that gambling regulators, judicial or similar authorities in certain jurisdictions will interpret the applicable existing or new laws in a manner classifying our games as gambling or requiring that certain in-game features (e.g. features that are deemed to be "loot boxes") be limited or excluded. If any authority issues such an interpretation, we may face enforcement action on the basis of that interpretation. Moreover, if our games are considered to be gambling in jurisdictions that prohibit online gambling, we may be forced to cease offering our top-grossing games in such jurisdictions. If our games are classified, for regulatory purposes, in a manner differing from the manner in which we view them, we may also be barred from promoting those games via third-party platforms (such as the AppStore or Facebook).

There is a risk that potential legislative or regulatory developments could curtail our offering of games in certain jurisdictions, result in a prohibition on mobile or online gaming in the jurisdictions in which we operate, restrict our ability to advertise our games, allow our players to claim damages related to the use of our games, raise consumer protection claims, substantially increase the cost of complying with the applicable regulations, or subject us to fines or other regulatory actions, any of which could have an adverse effect on our business, operating results and financial condition. Finally, the increased public scrutiny of social casino games and loot boxes could result in reputational damage to ourselves and to the industry, deter players from participating in our games, generate negative publicity, or deter financial institutions and other third-party partners and suppliers from cooperating with us.

**We could be subjected to sanctions or other penalties for data privacy and/or data security breaches**

We collect, process, store, use and share personal information and other data in order to develop new games, offer products and features to players, and analyze the effectiveness of our marketing channels. Our business is therefore subject to a number of laws and regulations governing data privacy and security, as well as various regulators' guidelines, including with respect to the collection, storage, use, transmission, sharing and protection of personal information and other consumer data applicable in various jurisdictions. Such laws and regulations and guidelines may be inconsistent between countries or conflict with other rules.

Any failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to players or other third parties, or any other legal obligations or regulatory requirements relating to privacy, data protection, or information security may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our players to lose trust in us, or otherwise materially and adversely affect our reputation and business.

Furthermore, the costs of compliance with, and other burdens imposed by the laws, regulations, and policies that are applicable to us may limit the adoption and use of, and reduce the overall demand for our games. Additionally, if third parties we work with violate applicable laws, regulations or agreements, such violations may put our players' data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our players to lose trust in us and otherwise materially and adversely affect our reputation and business. Further, public scrutiny of, or complaints about, technology companies or their data handling or data protection practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks.

**Operating in multiple jurisdictions and locations**

Although the US is our most significant market in terms of revenue, we generate revenue across multiple jurisdictions, and our users originate from a large number of jurisdictions worldwide. Our main operations, including game development operations, are located in Poland. We operate offices in different cities worldwide, including Tel Aviv, Israel; Limassol, Cyprus; and London, UK.

Our operations in multiple jurisdictions could subject us to additional risks customarily associated with such operations, including: the complexity of laws and regulations in different jurisdictions and markets; ambiguity or inconsistency resulting from conflicts-of-laws; the uncertainty of enforcement of remedies in various jurisdictions; the effect of currency exchange rate fluctuations; the impact of various labor laws and disputes; the ability to attract and retain key personnel in different jurisdictions; the economic, tax and regulatory policies of local governments; compliance with applicable anti-money laundering, anti-bribery and anti-corruption laws, including the Foreign Corrupt Practices Act and other anti-corruption laws that generally prohibit US persons and companies and their agents from offering, promising, authorizing or making improper payments to foreign government officials for the purpose of obtaining or retaining business; and compliance with applicable sanctions regimes regarding dealings with certain persons or countries. Moreover, foreign jurisdictions could impose tariffs, quotas, licenses, trade barriers and other similar restrictions on our international sales.

Our international business operations could be interrupted and negatively affected by terrorist activity, political unrest or other economic or political uncertainties. We operate in locations that are regularly affected by such events, including Tel Aviv.

The international sanctions imposed on Russia or other countries may also have an impact on our operations, which at the date of publication of this report we do not expect to be materially adverse. Finally, an escalation of the war in Ukraine could potentially impact the operations of our offices in Poland, and we are therefore constantly monitoring the situation with a view to taking any necessary mitigation steps to ensure the safety of our teams and the continuity of operations.

**Legal proceedings may materially adversely affect our business and our results of operations, cash flows and financial condition**

We have been party to, and in the future may become subject to legal proceedings including with respect to consumer protection, gambling related matters, employee matters, alleged service and system malfunctions, alleged intellectual property

infringement and claims relating to our contracts, licenses and strategic investments. Legal proceedings targeting our social casino games and claiming violations of state, federal or local laws in jurisdictions where we operate could also occur based on the unique and specific laws of each jurisdiction.

Player use of our games is subject to our privacy policy and terms of service. If we fail to comply with our posted privacy policy, terms of service or similar agreements, or if we fail to comply with applicable privacy-related or data protection laws and regulations, this could result in litigation, proceedings or investigations against us by governmental authorities, players or others, which could result in fines or judgments against us, damage our reputation or goodwill, impact our financial condition and harm our business.

We cannot predict the likelihood, timing or scope of any legal proceedings to which we may be a party, any of which could have a material adverse effect on our business, operating results and financial condition.

We may incur significant expenses defending any lawsuits to which we may be a party, even if we eventually prevail in such proceedings or if they are found to be without merit, and lawsuits may result in the imposition of damages, restitution, fines or other penalties that could have a material impact on our financial results.

#### **Our shareholders' rights under Delaware law differ from shareholder rights under Polish law**

The Company is a Delaware corporation, and therefore its structure, operating procedures and the relationships between shareholders are governed by the laws of the State of Delaware and US federal laws, including US securities laws.

The principles underlying these laws differ from those underlying Polish law in many respects. Therefore, the rights of our shareholders are in many instances different from those of shareholders of Polish companies.

#### **4.2 Internal control and risk management**

The Company's Chief Executive Officer is responsible for the Company's and Group's internal control system and the Board of Directors is responsible for supervision over the adequacy of the internal control system and over monitoring its effectiveness. In addition, the Board of Directors is responsible for supervision over the preparation of the Group's consolidated financial statements in accordance with IFRS, as well as the Company's separate financial statements, which will also be prepared in accordance with IFRS.

The purpose of an effective internal control system over financial reporting is to ensure the adequacy and correctness of the financial information contained in the financial statements and interim and annual reports.

During the preparation of the Group's consolidated financial statements, the verification of the financial statements by an independent auditor is one of the main elements of the audit. The responsibilities of the auditor include, in particular, an audit of the annual consolidated financial statements. Substantially the same principles apply to the Company's separate financial statements. In addition to the audit of the annual consolidated and separate financial statements, the auditor's responsibilities include a review of the semi-annual separate and consolidated financial statements.

The Board of Directors elects an independent auditor. Upon the auditor's completion of the audit, the consolidated financial statements are sent to the members of the Board of Directors, which assesses the Company's consolidated financial statements with regard to their compliance with the books and documents as well as with the facts. Substantially the same procedures apply to the Company's separate financial statements.

The Board of Directors supervises the preparation of the Group's consolidated financial statements. The Board of Directors is required to ensure that the Group's consolidated financial statements and business statements meet the legal requirements. The Company's CEO approves and signs the Group's consolidated financial statements based on the authorisation from the Board of Directors. Substantially the same procedures apply to the Company's separate financial statements.

The supervision over the preparation of the separate financial statements of the Subsidiaries is conducted by their respective corporate bodies. The Company oversees such processes based on the available corporate powers and monthly reporting used by the Group. Additionally, the Issuer ensures the existence and effectiveness of such internal controls within the Group,

including the Subsidiaries, as it deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Group's consolidated financial statements are prepared by the finance team in cooperation with the Company's CEO and Company's Treasurer and reviewed and approved by the Board of Directors before the issuance of an independent auditor's opinion. The financial data used in the annual and interim consolidated financial statements, as well as the monthly reporting used by the Group, derive from the Group's financial and accounting system and the financial systems used by external accounting teams. After all the predefined processes concerning the closing of the books have been completed at the end of each month, detailed financial and operational reports are prepared and, at the end of each quarter, additional consolidated IFRS reports. The Company applies consistent accounting principles when presenting financial data in financial statements and periodic financial reports.

The Company's separate financial statements are prepared by the finance team in cooperation with the Company's CEO and Company's Treasurer and reviewed and approved by the Board of Directors before the issuance of an independent auditor's opinion. The financial data used in the annual and interim separate financial statements as well as the monthly reporting used by the Company derive from the Company's financial and accounting system.

The Company reviews the quality of its internal control and risk management systems with regard to the preparation of the consolidated financial statements. Substantially the same practice applies to the internal control and risk management systems with regard to the preparation of the Company's separate financial statements.

## **5. Significant achievements or failures and unusual events significantly affecting the financial statements.**

### **Collective redundancies in the Group**

On January 9, 2025, the management board of the Company's subsidiary Huuuge Games sp. z o.o., acting in accordance with the provisions of the Polish Act of March 13, 2003 on special rules for terminating employment relationships with employees for reasons not attributable to the employees, adopted a resolution to initiate the process of collective redundancies and commence consultations with employee representatives. Following the consultation process, on January 16, 2025, an agreement was reached with the employee representatives, and the Company submitted formal notifications to the relevant labour offices, thereby officially launching the collective redundancy process. The redundancies affected approximately 21% of the employees of Huuuge Games sp. z o.o. Additionally, in Q1 2025, the Company conducted a review of the employment structure across the entire Capital Group. As a result of these efforts, and as of the date of approval of this Report, the collective redundancy process in the Group has been completed. In total, the workforce reduction covered 29% of the Group's employees. At the same time, the Issuer resolved to dissolve its subsidiaries in the Netherlands and Finland.

### **Investment in Empire Games Ltd.**

In January 2025 the company made a second tranche payment of USD 500 thousand related to an investment in Empire Games Ltd. (investment described in Note 10 *Long-term investments* to the Consolidated Financial Statements for the year 2024).

As of June 30, 2025, the carrying value of the investment has been reduced by USD 1,000 thousand to zero, with a corresponding revaluation loss recognized in the interim consolidated statement of comprehensive income under "Other operating income/(expense), net." The Group has decided to cease further financing of Empire Games Ltd., resulting in a zero carrying value of this long-term investment as of June 30, 2025. (described in Note 7 *Long-term investments* to the Interim Condensed Consolidated Financial Statements for the half year 2025)

## **6. Factors impacting our first half of 2025 financial results and events, which in the Issuer's opinion, will impact the Group's results for at least the next quarter**

### **Mobile gaming and social casino market environment**

As far as market dynamics are concerned, Eilers & Krejcik estimate that the social casino market declined by 4.8% YoY in Q2 2025 (and by 1.8% QoQ). The long-term forecast has been revised downwards in 4Q 2024, and the social casino market is now expected to decline at a 2.9% CAGR in 2024-27E, reaching USD 6.6 billion by 2027. For the full year 2024, the market declined by 2.5% YoY.

### **User Acquisition expenses and our marketing strategy**

Due to weak performance in the social casino market, making it more difficult for us to maintain satisfactory paybacks, we reduced UA spending in Q2 2025 by 37% year-over-year. Our goal is to align investment with the momentum generated by new feature releases while maintaining a disciplined approach to payback, given the significant improvement in payback metrics. For Traffic Puzzle, marketing spend is immaterial, primarily focused on retargeting inactive players.

### **Expected introduction of Google's Privacy Sandbox**

Google's Privacy Sandbox is a strategic move to enhance user privacy, which will likely be fully launched not earlier than 2026, the date not officially confirmed yet though there are indications that the development of the tool has proceeded in the recent months at a considerably reduced pace. Beginning from April 2025, this coincides with Apple encountering potential regulatory penalties from some European Union countries for allegedly employing monopolistic and discriminatory practices through its App Tracking Transparency implementation, while simultaneously favoring its own advertising business. Such regulatory interventions may potentially influence privacy technology modifications across other platforms, including Google's Android operating system. Google's strategic approach to the Android Privacy Sandbox faces significant uncertainty due to escalating US antitrust pressure, including the potential for a court-ordered divestiture of its Chrome browser. This outcome would profoundly impact the company's long-term strategy.

Google's Privacy Sandbox initiative has from the beginning included both web and mobile elements, with the web aspect—specifically the phasing out of third-party cookies in Chrome—being considerably more advanced than the mobile version. In a recent announcement, Google conveyed its intention to maintain the current strategy of offering users a choice regarding third-party cookies in Chrome, opting not to introduce a new standalone prompt. While this doesn't signal the end of Privacy Sandbox activities in Chrome, as Google continues to work on enhancing IP Privacy Protection in Incognito mode, it does significantly change the privacy Sandbox landscape and suggests a marked slowdown in the progression of its experimentation with the Privacy Sandbox framework.

Google plans to phase out the Google Advertising ID (GAID) for all users eventually, though the discontinuation of GAID is not currently included in Google's Privacy Sandbox initiatives and its timeline has not been announced yet.

The phase-out is anticipated to not occur in 2025. Consequently, there will be a transitional period during which it will be possible to measure Android traffic deterministically, as is the current practice, and through Google's Privacy Sandbox. This overlap will provide an opportunity to compare the effectiveness of the two approaches.

The discontinuation of GAID will restrict app developers' ability to track specific conversion events, for which Google's Privacy Sandbox is intended to serve as a remedy. Although plans are in place to phase out GAID, the Google Play referrer, an alternative method of attribution based on the App Set ID, might continue to be available and needs to be confirmed by Google. This could offer an alternative to GAID, though its efficacy and applicability in the post-GAID era will require further validation. Sandbox will send aggregated event data with added noise points for privacy. Google assures clients that the changes won't drastically impact their ad business. Pre-Sandbox efforts include continuous development of Media-Mix-Modeling (MMM) for allocating organic users and assessing the influence of marketing networks. Additionally, Huuuge is among the initial testers of the Privacy Sandbox on Android through participation in the Google Ads Early Access Program & AppsFlyer's Sandbox beta version testing. Huuuge is actively testing ways to measure Unity Android traffic both deterministically and through Google's Privacy Sandbox. Nevertheless,

at present, a restricted range of metrics is available as the tool is in its early stage of development. Initial checks reveal significant discrepancies between the classic attribution method and Sandbox.

#### **Expected tax reforms & changes in tax law / tax law interpretations**

On July 4, 2025, US President Donald Trump signed the One Big Beautiful Bill Act (OBBBA) into law. The OBBBA introduces a rebranded version of the prior GILTI (Global Intangible Low-Taxed Income) regime, now known as net CFC tested income (NCTI). Differentiating NCTI from GILTI, Section 250 deduction is reduced from 50% under prior law to 40% and factoring in the 10% Foreign Tax Credit haircut (instead up 20% under prior law). The above changes means that ETR on NCTI will now be up to 14%, which means an increase from the 13.125% ETR under prior law. Additionally, the shape of the implementation of Pillar II in Cyprus and potential increase of the corporate tax rate from 12.5% to 15% may also impact the global effective tax rate of the Group.

#### **Impact of the situation in Israel on our business**

Huuuge's office in Tel Aviv, Israel accounts for around 7% of the Group's total headcount, which includes senior management of our Huuuge Casino Studio. On October 7, 2023, Hamas militants conducted a series of coordinated attacks from the Gaza Strip against the Israeli people, resulting in the outbreak of war between the State of Israel and Hamas. Moreover, Israel is engaged in ongoing hostilities with Hezbollah in Lebanon. Some of our employees in Israel in certain emergency circumstances may be called to immediate and unlimited active duty. As a result of Israel's October 7, 2023 declaration of a state of war and activation of Article 8 of the Reserve Service Law (2008), several of our employees in Israel were activated for military duty. Currently, none of Huuuge's employees have been called up for military service. Any major escalation in hostilities in the region could result in a portion of our employees and service providers in Israel being called up to perform military duty for an extended period. Contingency plans are in place to prevent disruptions to business, including Israeli teams working from home if required. Our technology infrastructure is critical to supporting the performance of our games, ensuring uptime and redundancy. All of our games operate on cloud, maintained through data centers and availability zones in the US and the EU.

The Company is actively monitoring the situation and has established an internal task force developing and implementing business continuity measures and ensuring the core competences are covered.

We have no Israel-based personnel responsible for infrastructure. As of the date of the report, the war in Israel has no significant impact on our business and financial results.

#### **Legal cases in the gaming industry**

Over the past 4 years, Epic Games initiated legal battles against Apple and Google, challenging their control over the mobile app economy. The case against Google resulted in a jury ruling that Google's app store policies were monopolistic. Conversely, Epic's similar claims against Apple were largely dismissed. These mixed outcomes underscore the complexity of app store dynamics and hint at possible changes in how apps are distributed and monetized, potentially affecting pricing and innovation in the mobile app market.

On April 30, 2025, Apple revised its App Store Review Guidelines following a U.S. court ruling on April 30, 2025. This update, limited to the U.S. App Store, adjusts rules around buttons, external links, and calls to action related to in-app purchases and alternative payment methods.

Currently there is no prohibition on an application including buttons, external links, or other calls to action to a website the developer owns or maintains responsibility for in order to purchase digital content or services, and no entitlement is required to do so on the United States storefront. Also, applications distributed on Apple's App Store are no longer barred from encouraging users to use purchase methods other than in-app payments.

However we keep monitoring the above rules as they are fluid; Apple is appealing both the original injunction and the recent contempt order that prompted the above change.

#### **EU's Digital Markets Act & Apple's new App Store policy**

The European Commission has required Apple to make a series of additional changes under the Digital Markets Act, and as a result, on June 26, 2025 Apple updated the Alternative Terms Addendum for Apps in the EU.

The updated terms let developers with apps in the European Union storefronts of the App Store communicate and promote offers for purchase of digital goods or services available at a destination of their choice (e.g. a website, alternative app marketplace, or another app) and can be accessed outside the app or within the app via a web view or native experience. App Store apps that communicate and promote offers for digital goods or services will be subject to new business terms for those transactions – an initial acquisition fee, store services fee, and for apps on the StoreKit External Purchase Link Entitlement (EU) Addendum, the Core Technology Commission (CTC).

This change has no impact on Huuuge since the applications distributed via Apple platform in the EU use Apple's in-app purchase system.

Apple also informed that by January 1, 2026, Apple plans to move to a single business model in the EU for all developers. Under this single business model, Apple will transition from the Core Technology Fee (CTF) to the CTC on digital goods or services. The CTC will apply to digital goods or services sold by apps distributed from the App Store, Web Distribution, and/or alternative marketplaces. Apps currently under the Alternative Terms Addendum for Apps in the EU continue to be subject only to the CTF until the transition to the CTC is fully implemented next year. At that time, qualifying transactions will be subject to the CTC, and the CTF will no longer apply. Additional details regarding this transition will be provided at a later date.

#### **Collective redundancies impact on the Group's financial results**

Salaries and employee related costs in the first half of 2025 include costs related to the headcount reductions amounting to USD 2,596 thousand. Following recent company-wide restructuring we expect operating costs (ex-UA) to decline YoY in 2025 and to be lower by approximately USD 12 million on an annualised basis.

Except for events and factors described in the Financial and KPI sections, there were no other unusual events with an impact on the Issuer's financial results in the first half of 2025.

## **7. Key Performance Indicators**

When evaluating our business, we consider the KPIs presented and discussed in this section. Each of these KPIs is defined below:

- **Daily Active Users (DAU):** DAU is defined as the number of individual users who played a game on a particular day. In order to more accurately reflect reality, we identify the users based on (human) ID (HID) rather than device ID. That allows us to eliminate the double counting of individuals playing games on multiple devices. The ability to identify and analyze actual players rather than accounts allows for substantially greater accuracy, including better in-game targeting of offers (the right offer, to the right person, at the right time), better retargeting capabilities and better predictive models. Average DAU for a period is the average of the monthly average DAU for the period. It is not a KPI that we internally use as an objective (we focus primarily on the number of paying users – e.g., DPU).
- **Daily Paying Users (DPU):** DPU is defined as the number of players (active users) who made a purchase on a given day.
- **Average Revenue per Daily Active User (ARPDau):** ARPDau is defined as average revenue per daily active user. ARPDau for a period is calculated by dividing gross revenue (i.e., before deduction of platform fees) for the period by the number of days in the period and then dividing by the average DAU for the period.
- **Daily Average Revenue per Paying User (ARPPU):** ARPPU is defined as average revenue per paying user on a given day. It is calculated by dividing gross revenue from in-app purchases (i.e., before deduction of platform fees) for the period by the number of days in the period and then dividing by the average DPU for the period. ARPPU for the period is calculated by dividing IAP revenue for the period by the number of days in the period and then dividing by the average DPU for the period.
- **Monthly Payer Conversion (Monthly Conversion):** Monthly Conversion is defined as the percentage of MAU (the number of individual users who played a game during a particular month) that made at least one purchase in a month during the same period.

Our revenue is principally driven by DAU, ARPPU and conversion rates. We monitor our user acquisition costs using measures such as ROAS (Return on Ad Spend), but given that these metrics are commercially sensitive we do not disclose or discuss them in this report.

The tables below present our KPIs for Q2 2025 and Q2 2024 (YoY) as well as Q2 2025 and Q1 2025 (QoQ) for the Group and “core franchises,” i.e., Huuuge Casino and Billionaire Casino.

YoY KPI	All games			Core franchises Huuuge Casino and Billionaire Casino		
	Q2 2025	Q2 2024	Change, %	Q2 2025	Q2 2024	Change, %
DAU (in thousands)	322.0	392.9	-18.0%	288.1	335.5	-14.1%
DPU (in thousands)	13.0	14.2	-8.7%	12.5	13.4	-6.8%
ARPPAU (in USD)	2.0	1.8	13.2%	2.2	2.0	9.3%
ARPPU (in USD)	49.7	48.7	2.2%	50.9	50.5	0.8%
Monthly Conversion (%)	7.9	6.4	1.5pp	8.7	7.2	1.5pp

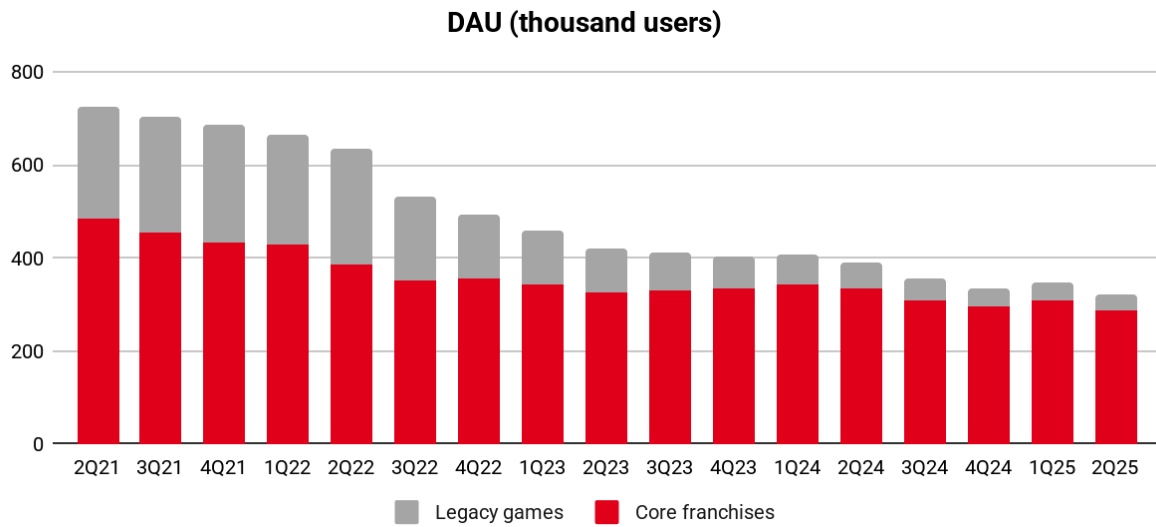
QoQ KPI	All games			Core franchises Huuuge Casino and Billionaire Casino		
	Q2 2025	Q1 2025	Change, %	Q2 2025	Q1 2025	Change, %
DAU (in thousands)	322.0	346.9	-7.2%	288.1	308.1	-6.5%
DPU (in thousands)	13.0	14.1	-8.0%	12.5	13.6	-7.7%
ARPPAU (in USD)	2.0	2.0	1.5%	2.2	2.2	1.1%
ARPPU (in USD)	49.7	48.4	2.8%	50.9	49.6	2.5%
Monthly Conversion (%)	7.9	8.2	-0.3pp	8.7	9.1	-0.5pp

#### Operating KPIs

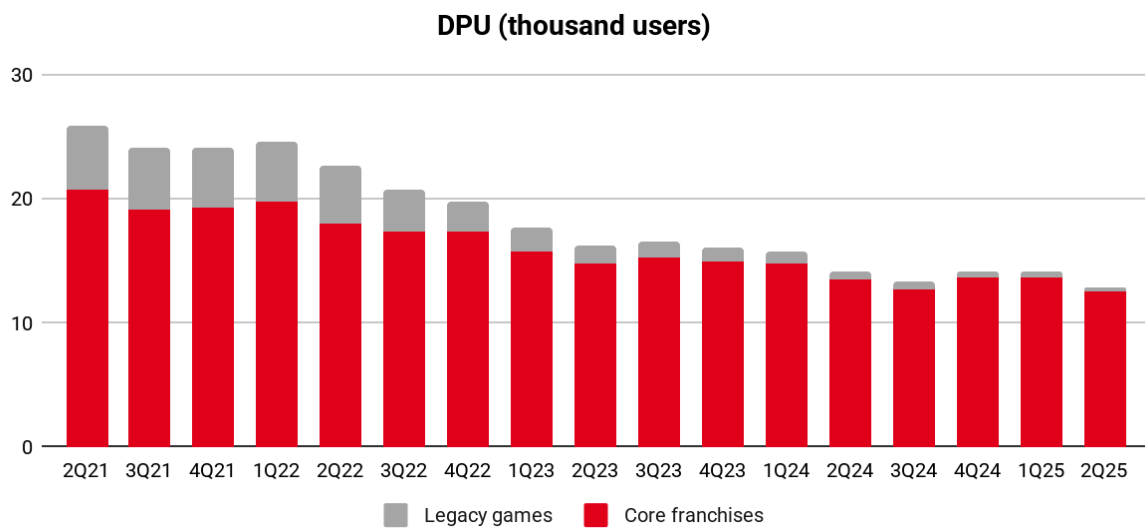
The year-over-year and quarter-over-quarter decline in DAU and DPU for core franchises in Q2 2025 was primarily driven by reduced marketing expenditures during the quarter, combined with churn among existing user cohorts. In Q1 2025, results were significantly supported by the introduction of new features to Huuuge Casino and Billionaire Casino in late November 2024. ARPPAU and ARPPU increased quarter-over-quarter in Q2 2025. Over the past few years, we have successfully increased the ARPPU of our core franchises, maintaining this KPI at a very high level compared to industry benchmarks since Q1 2023.

In addition, below, we present a more detailed quarterly overview of our selected KPIs.

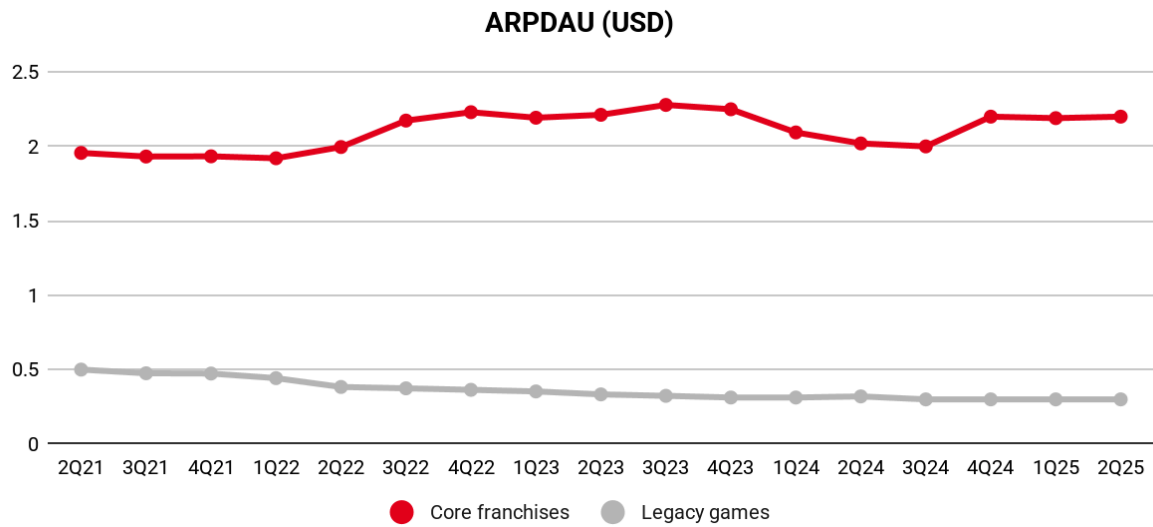
## Daily Active Users



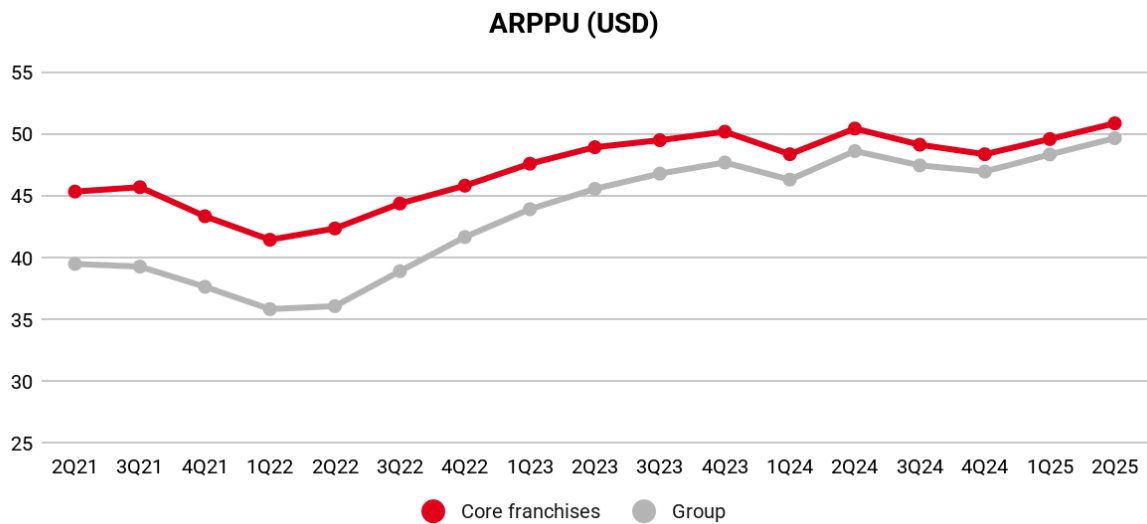
## Daily Paying Users



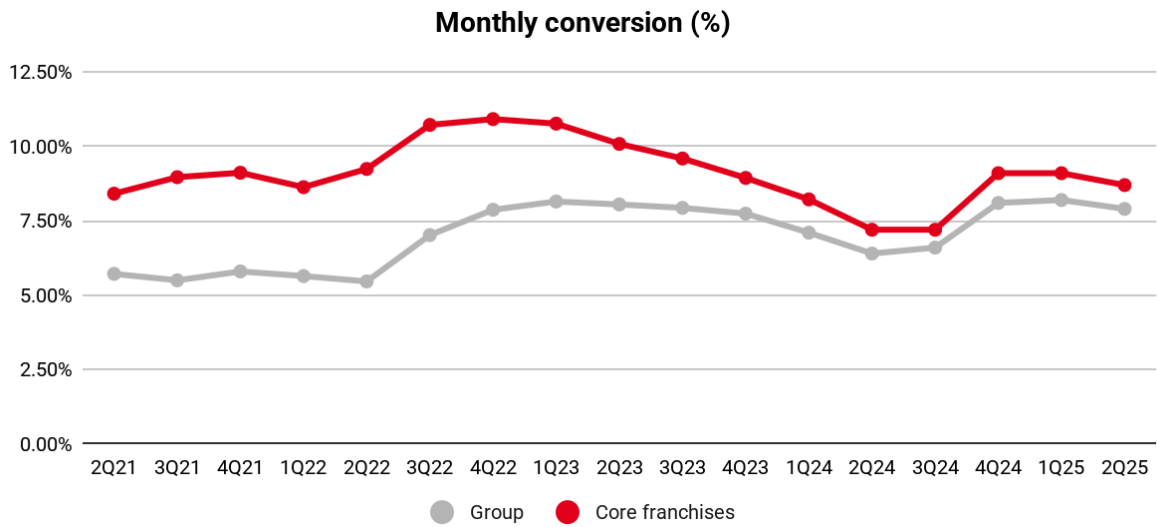
### Average Revenue per Daily Active User



### Daily Average Revenue per Paying User



## Monthly Conversion



## 8. Results of operations

The following table presents our consolidated statement of comprehensive income for the six-month periods ended June 30, 2025 and June 30, 2024.

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
<b>Revenue</b>	<b>121,190</b>	<b>130,325</b>	<b>-7.0%</b>	<b>58,799</b>	<b>63,350</b>	<b>-7.2%</b>
Cost of sales	(30,177)	(36,681)	-17.7%	(14,656)	(17,624)	-16.8%
<b>Gross profit on sales</b>	<b>91,013</b>	<b>93,644</b>	<b>-2.8%</b>	<b>44,143</b>	<b>45,726</b>	<b>-3.5%</b>
Sales and marketing expenses:	(22,625)	(30,645)	-26.2%	(11,536)	(15,560)	-25.9%
thereof, User acquisition marketing campaigns	(14,787)	(23,683)	-37.6%	(7,549)	(11,911)	-36.6%
thereof, General sales and marketing expenses	(7,838)	(6,962)	12.6%	(3,987)	(3,649)	9.3%
Research and development expenses	(10,056)	(11,583)	-13.2%	(4,056)	(5,878)	-31.0%
General and administrative expenses	(14,421)	(15,855)	-9.0%	(6,899)	(7,815)	-11.7%
Other operating income/(expense), net	(684)	(923)	-25.9%	(858)	29	n/a
<b>Operating result</b>	<b>43,227</b>	<b>34,638</b>	<b>24.8%</b>	<b>20,794</b>	<b>16,502</b>	<b>26.0%</b>
Finance income	3,649	4,005	-8.9%	1,503	1,898	-20.8%
Finance expense	(3,066)	(149)	1957.7%	(1,913)	(30)	6276.7%
<b>Profit before tax</b>	<b>43,810</b>	<b>38,494</b>	<b>13.8%</b>	<b>20,384</b>	<b>18,370</b>	<b>11.0%</b>
Income tax	(6,742)	(6,883)	-2.0%	(3,129)	(3,300)	-5.2%
<b>Net result for the period</b>	<b>37,068</b>	<b>31,611</b>	<b>17.3%</b>	<b>17,255</b>	<b>15,070</b>	<b>14.5%</b>
Exchange gains/(losses) on translation of foreign operations	5,182	(1,747)	n/a	3,512	(789)	n/a
<b>Total comprehensive income for the period</b>	<b>42,250</b>	<b>29,864</b>	<b>41.5%</b>	<b>20,767</b>	<b>14,281</b>	<b>45.4%</b>

The following tables show the Alternative Performance Measures used by us as at the dates and for the periods indicated, with a justification for their use. Please see below the definitions of the used measures and ratios.

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
<b>EBITDA</b>	<b>47,722</b>	<b>39,263</b>	<b>21.5%</b>	<b>22,994</b>	<b>18,673</b>	<b>23.1%</b>
EBITDA margin (%)	39.4%	30.1%	9.3pp	39.1%	29.5%	9.6pp
<b>Adjusted EBITDA</b>	<b>49,276</b>	<b>41,384</b>	<b>19.1%</b>	<b>23,999</b>	<b>19,444</b>	<b>23.4%</b>
Adjusted EBITDA margin (%)	40.7%	31.8%	8.9pp	40.8%	30.7%	10.1pp
Sales Profit	76,226	69,961	9.0%	36,594	33,815	8.2%
Sales Profit margin (%)	62.9%	53.7%	9.2pp	62.2%	53.4%	8.8pp
User acquisition marketing campaigns as % of revenue	12.2%	18.2%	-6pp	12.8%	18.8%	-6pp
<b>Adjusted Net Result</b>	<b>38,622</b>	<b>33,732</b>	<b>14.5%</b>	<b>18,260</b>	<b>15,841</b>	<b>15.3%</b>
Adjusted Net Result (%)	31.9%	25.9%	6pp	31.1%	25.0%	6.1pp

**EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, Sales profit, Sales profit margin and User acquisition cost as % of revenue** are supplemental measures of the financial and operating performance used by us that are not required by, or prepared in accordance with IFRS. These measures are prepared by us because we believe they provide a view of our recurring operating performance that is unaffected by our capital structure and allow us to readily view operating trends and identify strategies to improve operating performance and to assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are critical to our core operating performance. In evaluating these measures, you should be aware that, in the future, we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our use of each of these measures is as follows:

The APM indicators used by the Company should be analyzed solely as supplementary rather than substitutive financial information presented in the Group's financial statements.

The presented APM indicators are standard measures and metrics commonly used in financial analysis; however, these indicators may be calculated and presented differently by various companies. Therefore, the Company provides their precise definitions below. We use the individual measures in the following ways:

- We define **EBITDA** as the net result for the year adjusted for income tax, finance costs, finance income, and depreciation and amortization. The rationale for using the **EBITDA** is that it is a measure widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies. **EBITDA** eliminates potential differences in performance caused by variations in capital structures (affecting finance costs and finance income), tax positions (such as the availability of net operating losses that offset taxable profits), the costs and ages of property, plant and equipment (affecting the depreciation expense level) and the extent to which intangible assets are identifiable (affecting the amortization expense level).
- We define **Adjusted EBITDA** as **EBITDA** adjusted for events not related to the main activity of the Group. In the periods presented, i.e. H1 2024 and H1 2025 there were share-based payment expenses and revaluation losses on financial instruments. The rationale for using the **Adjusted EBITDA** is that it constitutes an attempt to show the **EBITDA** result after eliminating events not related to the main activity of the Group and items from the profit and loss account that are of a non-cash nature.
- We define **EBITDA margin** as the ratio of the **EBITDA** to Revenue. The rationale for using the **EBITDA margin** is that it is a measure of operational profitability widely used among securities analysts and investors, and that **EBITDA** and **EBITDA margin** are internal measures used by us in the process of budgeting and management accounting.
- We define **Adjusted EBITDA margin** as the ratio of **Adjusted EBITDA** to Revenue. The rationale for using the **Adjusted EBITDA margin** is that it shows a measure of operating profitability after eliminating events not related to the main activity of the Group and items from the profit and loss account that are of a non-cash nature.
- We define **Sales Profit** as Gross profit/(loss) from sales, less the user acquisition costs. The rationale for using **Sales Profit** is to show the profitability of sales in the value aspect after covering costs directly related to the generated revenue – mainly distribution costs (fees for owners of distribution platforms), server expenses and the user acquisition costs through paid advertising campaigns.
- We define **Sales profit margin** as the ratio of Sales profit to Revenue. The rationale for using the sales profit % is to show the profitability of sales as a percentage after covering variable costs directly related to the revenue generated – mainly distribution costs (fees for owners of distribution platforms), server expenses and the user acquisition costs through paid advertising campaigns.
- We define **User Acquisition cost as % of revenue** as the ratio of User acquisition costs to Revenue. The rationale for using the **User Acquisition cost as % of revenues** is to show how much of our revenue we reinvest directly in maintaining and expanding our player base.
- We define **Adjusted net result** as the net result for the year adjusted for events not related to the main activity of the Group. In the periods presented, i.e. Q1 2024 and Q1 2025 there were share-based payment expenses and revaluation losses on financial instruments. The rationale for using the **Adjusted net result** is that it constitutes an attempt to show the Net result for the year after eliminating events not related to the main activity of the Group and items from the profit and loss account that are of a non-cash nature.
- We define **Adjusted net result margin** as the ratio of the **Adjusted net result** to Revenue. The rationale for using the **Adjusted net result margin** is that it constitutes an attempt to show the Net result for the year in percentage after eliminating events not related to the main activity of the Group and items from the profit and loss account that are of a non-cash nature.

The measures presented might not be comparable to similarly titled measures used by other companies. We encourage you to review our financial information in its entirety and not to rely on a single financial measure.

#### Sales Profit and Sales Profit Margin

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
<b>Revenue</b>	<b>121,190</b>	<b>130,325</b>	<b>-7.0%</b>	<b>58,799</b>	<b>63,350</b>	<b>-7.2%</b>
Gross profit on sales	91,013	93,644	-2.8%	44,143	45,726	-3.5%
thereof, User acquisition marketing campaigns	14,787	23,683	-37.6%	7,549	11,911	-36.6%
<b>Sales profit</b>	<b>76,226</b>	<b>69,961</b>	<b>9.0%</b>	<b>36,594</b>	<b>33,815</b>	<b>8.2%</b>
Sales profit margin %	62.9%	53.7%	9.2pp	62.2%	53.4%	8.8pp

#### Adjusted EBITDA reconciliation

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
<b>Net result for the period</b>	<b>37,068</b>	<b>31,611</b>	<b>17.3%</b>	<b>17,255</b>	<b>15,070</b>	<b>14.5%</b>
Income tax	6,742	6,883	-2.0%	3,129	3,300	-5.2%
Finance expense	3,066	149	1957.7%	1,913	30	6276.7%
Finance income	(3,649)	(4,005)	-8.9%	(1,503)	(1,898)	-20.8%
Depreciation and amortization	4,495	4,625	-2.8%	2,200	2,171	1.3%
<b>EBITDA</b>	<b>47,722</b>	<b>39,263</b>	<b>21.5%</b>	<b>22,994</b>	<b>18,673</b>	<b>23.1%</b>
<b>EBITDA Margin</b>	<b>39.4%</b>	<b>30.1%</b>	<b>9.3pp</b>	<b>39.1%</b>	<b>29.5%</b>	<b>9.6pp</b>
Employee benefits costs – share-based plan <sup>1</sup>	554	2,121	-73.9%	5	771	-99.4%
Revaluation losses on financial instruments	1,000	-	n/a	1,000	-	n/a
<b>Adjusted EBITDA</b>	<b>49,276</b>	<b>41,384</b>	<b>19.1%</b>	<b>23,999</b>	<b>19,444</b>	<b>23.4%</b>
<b>Adjusted EBITDA Margin</b>	<b>40.7%</b>	<b>31.8%</b>	<b>8.9pp</b>	<b>40.8%</b>	<b>30.7%</b>	<b>10.1pp</b>

<sup>1</sup>Employee benefits costs – share-based plan<sup>1</sup> is a non-cash expense related to the Company's stock option plan and recognized in accordance with IFRS 2 Share-based Payment.

#### Adjusted Net Result

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
<b>Net result for the period</b>	<b>37,068</b>	<b>31,611</b>	<b>17.3%</b>	<b>17,255</b>	<b>15,070</b>	<b>14.5%</b>
Employee benefits costs – share-based plan <sup>1</sup>	554	2,121	-73.9%	5	771	-99.4%
Revaluation losses on financial instruments	1,000	-	n/a	1,000	-	n/a
<b>Adjusted Net Result</b>	<b>38,622</b>	<b>33,732</b>	<b>14.5%</b>	<b>18,260</b>	<b>15,841</b>	<b>15.3%</b>
<b>Adjusted Net Result %</b>	<b>31.9%</b>	<b>25.9%</b>	<b>6pp</b>	<b>31.1%</b>	<b>25.0%</b>	<b>6.1pp</b>

<sup>1</sup>Employee benefits costs – share-based plan<sup>1</sup> is a non-cash expense related to the Company's stock option plan and recognized in accordance with IFRS 2 Share-based Payment.

## Revenue

Our revenue consists of revenue generated by in-app purchases in gaming applications and in-app advertising, as shown in the table below for the periods under review together with the percentage change over such periods.

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
Gaming applications	120,604	129,174	-6.6%	58,620	62,853	-6.7%
Advertising	586	1,151	-49.1%	179	497	-64.0%
<b>Total revenue</b>	<b>121,190</b>	<b>130,325</b>	<b>-7.0%</b>	<b>58,799</b>	<b>63,350</b>	<b>-7.2%</b>

As a result of a decline in Daily Paying Users (DPUs) in our core franchises, not fully offset by improvement in ARPPU, revenue generated by in-app purchases in gaming applications decreased by USD 8,570 thousand (i.e. 6.6%) from USD 129,174 thousand for the six months ended June 30, 2024 to USD 120,604 thousand for the six months ended June 30, 2025. Revenue generated by advertising decreased by USD 565 thousand (i.e. 49.1%) from USD 1,151 thousand in the six months ended June 30, 2024 to USD 586 thousand in the six months ended June 30, 2025. Consequently, total revenue decreased by USD 9,135 thousand (i.e. 7.0%) year-on-year.

On a quarterly basis, revenue from gaming applications decreased by 6.7% from USD 62,853 thousand in Q2 2024 to USD 58,620 thousand in Q2 2025, while advertising revenue declined by 64.0% from USD 497 thousand to USD 179 thousand over the same period. Total revenue for Q2 2025 amounted to USD 58,799 thousand, representing a decrease of 7.2% compared to Q2 2024.

Below, we show the revenue analyzed in main product groups:

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
Huuuge Casino	79,131	84,069	-5.9%	38,285	41,222	-7.1%
Billionaire Casino	40,165	42,786	-6.1%	19,702	20,526	-4.0%
<b>Total Core Franchises</b>	<b>119,296</b>	<b>126,855</b>	<b>-6.0%</b>	<b>57,987</b>	<b>61,748</b>	<b>-6.1%</b>
Traffic Puzzle	1,396	2,783	-49.8%	546	1,269	-57.0%
Other games	498	687	-27.5%	266	333	-20.1%
<b>Total Legacy Games</b>	<b>1,894</b>	<b>3,470</b>	<b>-45.4%</b>	<b>812</b>	<b>1,602</b>	<b>-49.3%</b>
<b>Total revenue</b>	<b>121,190</b>	<b>130,325</b>	<b>-7.0%</b>	<b>58,799</b>	<b>63,350</b>	<b>-7.2%</b>

Revenue generated by our core games (i.e., Huuuge Casino and Billionaire Casino) decreased by USD 7,559 thousand (i.e., by 6.0%) for the six months ended June 30, 2025 compared to the corresponding period of 2024, and by 6.1% for Q2 2025 compared to Q2 2024. This was mostly driven by the overall decline in DPU.

With regard to Traffic Puzzle, revenue decreased by USD 1,387 thousand (i.e., by 49.8%) for the six months ended June 30, 2025 compared to the corresponding period of 2024, and by 723 thousand (i.e., 57.0%) for Q2 2025 compared to Q2 2024. The decline was driven by the shrinking user base resulting from decreased user acquisition spend and the game being in maintenance mode since early 2023 (no significant content updates other than minor bug fixes).

Revenue from the Other games category decreased by USD 189 thousand (i.e., by 27.5%) for the six months ended June 30, 2025 compared to the corresponding period of 2024, and by USD 67 thousand (i.e., 20.1%) for Q2 2025 compared to Q2 2024.

Revenue from Legacy games decreased by USD 1,576 thousand (i.e., 45.4%) for the six months ended June 30, 2025 compared to the corresponding period of 2024, and by USD 790 thousand (i.e., 49.3%) for Q2 2025 compared to Q2 2024.

As a result, total revenue decreased by USD 9,135 thousand (i.e., by 7.0%) for the six months ended June 30, 2025 compared to the same period in 2024, and by USD 4,551 thousand (i.e., by 7.2%) for Q2 2025 compared to Q2 2024.

Revenue was generated in the following geographical locations:

in thousand USD	6m`2025	6m`2024	Change, %
North America	71,517	77,095	-7.2%
Europe	35,230	37,876	-7.0%
Asia-Pacific (APAC)	12,370	13,117	-5.7%
Other	2,073	2,237	-7.3%
<b>Total revenue</b>	<b>121,190</b>	<b>130,325</b>	<b>-7.0%</b>

North America (primarily the USA) remained the most important region from the Group's revenue perspective, accounting for 59% of total revenues in H1 2025 (compared to 59% in H1 2024).

The above figures represent management's best estimate, as no detailed geographical breakdown is available for certain revenue sources.

The allocation of revenues is driven by the location of individual end-user customers. For the six months ended June 30, 2025 and June 30, 2024, the Group did not generate transactions with any individual end-user customer representing 10% or more of total revenues. The vast majority of revenues is generated via several distribution platforms, such as Apple App Store, Google Play, Facebook, and Amazon App Store, as well as directly through the direct-to-consumer offering (Webshop).

Revenues through third-party platforms and through the Company's own direct-to-consumer offering were as follows:

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
Third-party platforms	96,007	117,225	-18.1%	45,881	55,820	-17.8%
Direct-to-consumer platforms	25,183	13,100	92.2%	12,918	7,530	71.6%
<b>Total revenue</b>	<b>121,190</b>	<b>130,325</b>	<b>-7.0%</b>	<b>58,799</b>	<b>63,350</b>	<b>-7.2%</b>

Our own Direct-to-Consumer channel (Webshop) remains a strategic priority for the Company. In H1 2025 it accounted for 20.8% of total revenue (up from 10.1% in H1 2024 and 4.2% in H1 2023). We continue to invest in this channel and expect its share to increase further – in Q2 2025 alone it reached 22.0% compared to 11.9% in Q2 2024.

#### Operating expenses

The table below presents a breakdown of our operating expenses.

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
Cost of sales	(30,177)	(36,681)	-17.7%	(14,656)	(17,624)	-16.8%
Sales and marketing expenses:	(22,625)	(30,645)	-26.2%	(11,536)	(15,560)	-25.9%
<i>thereof User acquisition marketing campaigns</i>	<i>(14,787)</i>	<i>(23,683)</i>	<i>-37.6%</i>	<i>(7,549)</i>	<i>(11,911)</i>	<i>-36.6%</i>
<i>thereof General sales and marketing expenses</i>	<i>(7,838)</i>	<i>(6,962)</i>	<i>12.6%</i>	<i>(3,987)</i>	<i>(3,649)</i>	<i>9.3%</i>
Research and development expenses	(10,056)	(11,583)	-13.2%	(4,056)	(5,878)	-31.0%
General and administrative expenses	(14,421)	(15,855)	-9.0%	(6,899)	(7,815)	-11.7%
<b>Total operating expenses</b>	<b>(77,279)</b>	<b>(94,764)</b>	<b>-18.5%</b>	<b>(37,147)</b>	<b>(46,877)</b>	<b>-20.8%</b>

Operating expenses for the six months ended June 30, 2025 amounted to USD 77,279 thousand, representing a decrease of USD 17,485 thousand (i.e., 18.5%) compared to the six months ended June 30, 2024. The decrease was primarily driven by lower cost of sales, expenses for User acquisition marketing campaigns, partially offset by an increase in General sales and marketing expenses. In addition, Research and development and general and administrative expenses for the six months ended June 30, 2025 decreased year-on-year. In Q2 2025, operating expenses decreased by USD 9,730 thousand (i.e., 20.8%) year-on-year.

Cost of sales decreased by USD 6,504 thousand (i.e., 17.7%) to USD 30,177 thousand in H1 2025 compared to H1 2024, and by USD 2,968 thousand (i.e., 16.8%) in Q2 2025 compared to Q2 2024. The decline was mainly attributable to the shift in revenue mix towards the Direct-to-Consumer (Webshop) channel, which bears significantly lower platform fees (and other related costs).

Sales and marketing expenses decreased by USD 8,020 thousand (i.e., 26.2%) to USD 22,655 thousand in H1 2025 compared to H1 2024, and by USD 4,024 thousand (i.e., 25.9%) in Q2 2025 compared to Q2 2024. The decline was primarily due to a significant reduction in User Acquisition marketing campaigns.

Research and development expenses decreased by USD 1,527 thousand (i.e., 13.2%) to USD 10,056 thousand in H1 2025 compared to H1 2024, and by USD 1,822 thousand (i.e., 31.0%) in Q2 2025 compared to Q2 2024. The decrease was mainly attributable to lower employee costs, as well as lower costs of stock option plans.

General and administrative expenses decreased by USD 1,434 thousand (i.e., 9.0%) to USD 14,421 thousand in H1 2025 compared to H1 2024, and by USD 916 thousand (i.e., 11.7%) in Q2 2025 compared to Q2 2024. The change was related to lower costs of stock option plans and salaries and employee related costs.

### Profitability

Our sales profit increased by USD 6,265 thousand and the sales profit margin by 9.2 pp for the six months ended June 30, 2025 compared to the corresponding period of 2024, reaching 62.9%. This improvement was primarily driven by a significant reduction in user acquisition marketing expenses and lower cost of sales.

The adjusted EBITDA increased by USD 7,892 thousand and the adjusted EBITDA margin by 8.9 pp for the six months ended June 30, 2025 compared to the corresponding period of 2024, reaching 39.4%. The improvement in adjusted EBITDA outpaced the growth in sales profit, reflecting substantial reductions in sales and marketing expenses as well as cost of sales, alongside continued cost discipline in other categories.

### Finance income, net

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
Finance income	3,649	4,005	-8.9%	1,503	1,898	-20.8%
Finance expense	(3,066)	(149)	1957.7%	(1,913)	(30)	6276.7%
<b>Finance income, net</b>	<b>583</b>	<b>3,856</b>	<b>-84.9%</b>	<b>-410</b>	<b>1,868</b>	<b>n/a</b>

Finance income, net for the six months ended June 30, 2025 amounted to USD 583 thousand, compared to USD 3,856 thousand for the six months ended June 30, 2024, representing a decrease of 84.9%. In Q2 2025, finance income net was negative at USD -410 thousand, compared to USD 1,868 thousand in Q2 2024. The change was mainly attributable to foreign exchange differences on the PLN/USD exchange rate.

**Statement of Financial Position**  
**Selected Consolidated Statements of Financial Position**

	As at June 30		As at December 31	
in thousand USD	2025	Structure	2024	Structure
<b>ASSETS</b>				
<b>Total non-current assets, including:</b>	<b>23,402</b>	<b>9.6%</b>	<b>25,838</b>	<b>12.7%</b>
Right-of-use assets	3,975	1.6%	4,847	2.4%
Goodwill	2,711	1.1%	2,408	1.2%
Intangible assets	6,169	2.5%	7,780	3.8%
Long-term investments	0	0.0%	500	0.2%
Other items	10,547	4.3%	10,303	5.1%
<b>Total current assets, including:</b>	<b>219,220</b>	<b>90.4%</b>	<b>177,477</b>	<b>87.3%</b>
Trade and other receivables	24,021	9.9%	29,702	14.6%
Cash and cash equivalents	188,625	77.7%	141,840	69.8%
Other short-term financial assets	2,454	1.0%	2,465	1.2%
Other receivables	4,120	1.7%	3,470	1.7%
<b>Total assets</b>	<b>242,622</b>	<b>100.0%</b>	<b>203,315</b>	<b>100.0%</b>
<b>EQUITY</b>				
<b>Total equity</b>	<b>215,670</b>	<b>88.9%</b>	<b>172,810</b>	<b>85.0%</b>
<b>LIABILITIES</b>				
<b>Total non-current liabilities, including:</b>	<b>2,374</b>	<b>1.0%</b>	<b>3,964</b>	<b>1.9%</b>
Long-term lease liabilities	1,973	0.8%	3,609	1.8%
Other items	401	0.2%	355	0.2%
<b>Total current liabilities, including:</b>	<b>24,578</b>	<b>10.1%</b>	<b>26,541</b>	<b>13.1%</b>
Trade and other payables	12,966	5.3%	11,426	5.6%
Short-term lease liabilities	4,306	1.8%	3,942	1.9%
Provisions	1,700	0.7%	1,700	0.8%
Corporate income tax liabilities	3,898	1.6%	7,594	3.7%
Other items	1,708	0.7%	1,879	0.9%
<b>Total liabilities</b>	<b>26,952</b>	<b>11.1%</b>	<b>30,505</b>	<b>15.0%</b>
<b>Total equity and liabilities</b>	<b>242,622</b>	<b>100.0%</b>	<b>203,315</b>	<b>100.0%</b>

**Assets**

Total assets increased by USD 39,307 thousand (i.e., 19.3%) from USD 203,315 thousand as at December 31, 2024 to USD 242,622 thousand as at June 30, 2025. The structure of total assets has slightly changed and included the following two main items: (i) cash and cash equivalents (accounting for 77.7% and 69.8% of total assets as at June 30, 2025 and December 31, 2024, respectively), and (ii) trade and other receivables (accounting for 9.9% and 14.6% of total assets as at June 30, 2025 and December 31, 2024, respectively).

The increase in total assets was mostly driven by a combined effect of an increase in cash and cash equivalents of USD 46,785 thousand (i.e., 33.0%, from USD 141,840 thousand as at December 31, 2024 to USD 188,625 thousand as at June 30, 2025), partly offset by a decrease in trade and other receivables of USD 5,681 thousand, as well as depreciation and amortization of right-of-use assets and intangible assets which resulted in the decrease of their net book value in the statement of financial position.

**Equity**

Total equity increased by USD 42,860 thousand (i.e., 24.8%) from USD 172,810 thousand as at December 31, 2024 to USD 215,670 thousand as at June 30, 2025. The increase was primarily attributable to retained earnings generated during the reporting period.

## Liabilities

Total liabilities decreased by USD 3,553 thousand (i.e., 11.6%) from USD 30,505 thousand as at December 31, 2024 to USD 26,952 thousand as at June 30, 2025. This decline was primarily driven by a significant drop in corporate income tax liabilities from USD 7,594 thousand to USD 3,898 thousand resulting from the payments made during the period.

As at June 30, 2025, total liabilities mainly comprised: (i) trade and other payables, accounting for 5.3% of total equity and liabilities (compared to 5.6% as at December 31, 2024), (ii) corporate income tax liabilities, accounting for 1.6% of total equity and liabilities (compared to 3.7% as at December 31, 2024), and (iii) lease liabilities (short-term and long-term combined), accounting for 2.6% of total equity and liabilities (compared to 3.7% as at December 31, 2024).

## Cash Flows and Liquidity

The following table summarizes selected net cash flows from operating, investing and financing activities for the six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024

in thousand USD	6m`2025	6m`2024	Change, %	Q2`2025	Q2`2024	Change, %
<b>Cash flows from operating activities</b>						
<b>Profit before tax</b>	<b>43,810</b>	<b>38,494</b>	<b>13.8%</b>	<b>20,384</b>	<b>18,370</b>	<b>11.0%</b>
Adjustments for:						
Total of non-cash changes in depreciation, amortization and profits or losses on disposal of assets	4,714	4,676	0.8%	2,210	2,196	0.6%
Non-cash employee benefits expense - share-based payments	554	2,121	-73.9%	5	771	-99.4%
Finance (income)/expense, net	2,702	(4,176)	n/a	3,783	(1,418)	n/a
Revaluation losses on financial instruments	1,000	-	n/a	1,000	-	n/a
Changes in net working capital	4,847	(1,016)	n/a	702	(540)	n/a
<b>Cash flows from operating activities</b>	<b>57,627</b>	<b>40,099</b>	<b>43.7%</b>	<b>28,084</b>	<b>19,379</b>	<b>44.9%</b>
Income tax paid	(10,006)	(7,366)	35.8%	(2,742)	(1,058)	159.2%
<b>Net cash flows from operating activities</b>	<b>47,621</b>	<b>32,733</b>	<b>45.5%</b>	<b>25,342</b>	<b>18,321</b>	<b>38.3%</b>
<b>Cash flows from investing activities, including:</b>						
Long-term investments	(500)	(3,500)	-85.7%	-	-	0.0%
Acquisition of property, plant and equipment and intangible assets	(683)	(2,581)	-73.5%	(471)	(1,509)	-68.8%
Interest received	3,456	2,937	17.7%	1,933	1,249	54.8%
Other items	658	640	2.8%	331	322	2.8%
<b>Net cash flows from/(used in) investing activities</b>	<b>2,931</b>	<b>(2,504)</b>	<b>n/a</b>	<b>1,793</b>	<b>62</b>	<b>2791.9%</b>
<b>Cash flows from financing activities, including:</b>						
Lease repayment (principal) & interest paid	(2,322)	(2,201)	5.5%	(1,198)	(1,138)	5.3%
Exercise of stock options	56	165	-66.1%	52	23	126.1%
Repurchase of own shares incl. transaction costs	(377)	(70,423)	-99.5%	-	(70,310)	-100.0%
<b>Net cash flows from/(used in) financing activities</b>	<b>(2,643)</b>	<b>(72,459)</b>	<b>-96.4%</b>	<b>(1,146)</b>	<b>(71,425)</b>	<b>-98.4%</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>47,909</b>	<b>(42,230)</b>	<b>n/a</b>	<b>25,989</b>	<b>(53,042)</b>	<b>n/a</b>

**Net cash flows from operating activities**

Net cash inflows from operating activities amounted to USD 47,621 thousand in H1 2025, compared to USD 32,733 thousand in H1 2024, representing a 45.5% year-over-year increase of USD 14,888 thousand. This improvement was primarily driven by higher profit before tax and positive changes in working capital. H1 2025 cash inflows from operating activities were adjusted for non-cash finance costs driven by the unfavourable USD/PLN exchange rate. Higher income tax paid in H1 2025 was due to the advance tax payment schedule; the average tax rate used for the H1 2025 is 15.4%, compared to 17.9% for the H1 2024.

**Net cash flows from investing activities**

Net cash from investing activities was positive USD 2,931 thousand in H1 2025, compared to negative USD 2,504 thousand in H1 2024. The shift was primarily due to a reduction in long-term investments (down 85.7%) and lower capital expenditures (down 73.5%), as well as higher inflows in H1 2025 from interest received on money market funds accounts and bank deposits.

**Net cash flows from financing activities**

Net cash used in financing activities amounted to negative USD 2,643 thousand in H1 2025, compared to negative USD 72,459 thousand in H1 2024, representing a 96.4% decrease. Prior period outflows were primarily attributable to the share repurchases under the Share Buyback Scheme (SBB) in HY1 2024, in the amount of USD 70,423 thousand.

## 9. Possibility of accomplishing previously published forecasts

The Board of Directors have not published financial forecasts for 2025 for the Company or the Group.

## 10. Identification of Significant Disputes before Courts, Arbitration bodies or authorities

### Litigation and other legal proceedings

The Group operates in a highly regulated and litigious environment. The Company and/or its subsidiaries have and may become involved in legal proceedings, including litigation, arbitration and other claims, and investigations, inspections, audits, claims, inquiries and similar actions. Legal proceedings, in general, can be expensive and disruptive. Some of these suits are class actions and/or involve parties seeking large and/or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years.

Player use of our games is subject to our privacy policy and terms of service. If we fail to comply with our posted privacy policy, terms of service or similar agreements, or if we fail to comply with applicable privacy-related or data protection laws and regulations, this could result in litigation, proceedings or investigations against us by governmental authorities, players or others, which could result in fines or judgments against us, damage our reputation or goodwill, impact our financial condition and harm our business.

The Company cannot predict with certainty the outcomes of any legal proceedings and other contingencies, and the costs incurred in litigation can be substantial, regardless of the outcome. As a result, the Company and/or its subsidiaries could from time to time incur judgments, enter into settlements or revise our expectations regarding the outcome of certain matters, and such developments could harm our reputation and have a material adverse effect on our results of operations in the period in which the amounts are accrued and/or our cash flows in the period in which the amounts are paid. In addition, as a result of the ongoing legal proceedings, the Company and/or its subsidiaries may be subject to damages, civil fines, or other sanctions. Additionally, defending against these lawsuits and proceedings may involve significant expense and diversion of management's attention and resources.

As of the date of the approval of this Report for issue, the Company and/or its subsidiaries has become involved in a number of pending litigations:

- On March 8, 2023, a plaintiff filed a complaint in the Circuit Court of Franklin County Alabama alleging that the Company's social casino games are unlawful gambling under Alabama law. The plaintiff withdrew the original complaint without prejudice for procedural reasons, and, on September 14, 2023, re-filed an amended complaint. As in the original complaint, the lawsuit seeks to recover all amounts paid by Alabama residents to the Company in those games during the period beginning one year before the filing of the lawsuit (i.e. September 14, 2022) until the case is resolved. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On November 1, 2023, the Company filed a motion to dismiss the amended complaint and on December 15, 2023, the Company filed a motion to compel arbitration. On June 7, 2024, the judge denied the Company's motion to dismiss and the Company's motion to compel arbitration. On July 17, 2024, the Company filed a notice of appeal. The Supreme Court of Alabama held oral argument on March 5, 2025. On April 25, 2025, the Supreme Court of Alabama issued an order compelling arbitration. On May 14, 2025, the state court stayed the case pending the outcome of the arbitration. On June 17, 2025, the plaintiff filed a motion to lift the stay. On July 7, the court issued an order denying the motion to lift the stay. July 23, 2025, the Company received a notice of the demand filed with American Arbitration Association from the plaintiff. The case is proceeding in arbitration. In addition, on June 6, 2025, the plaintiff's husband filed a class action complaint in the Circuit Court of Franklin County alleging that social casino games published by the Company constitute illegal gambling under Alabama law. The plaintiff, on behalf of himself and all others similarly situated, demands recovery of the amount paid through purchases of virtual currency on Company's games within the six months preceding the filing of this complaint. This case is at the beginning stages. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. As of the date of the approval of this Report to issue, to the best of the Company's knowledge, the litigation is not expected to have a material impact on the Company's operations, financial condition or cash flows.
- On June 2, 2023, plaintiffs filed a complaint in the US Federal District Court for the Central District of California, alleging: (a) that the Company's social casino games are unlawful gambling under the laws of California, Illinois, and potentially other US states; and (b) that the Company's display of sale pricing in its social casino games constitutes false advertising under the laws of California, Illinois and potentially other US states. The lawsuit purports to be a nationwide class action, which also includes potential California and Illinois subclasses. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On January 24, 2024 the Company and the plaintiffs have signed an agreement to settle the case in exchange for the distribution to each class member of at least 375 virtual diamonds within the Company's games, and at least an aggregate total of 412.5 million virtual diamond, and USD 1,700 thousand in cash for attorneys' fees, costs of claims administration, and named plaintiff incentive awards. The Company also agrees in the settlement to make changes: (a) in game play, allowing players to engage in certain forms of continuous game play; and b) in advertising practices. The settlement is subject to court approval and to the Company's option to cancel the settlement if 1,000 or more class members elect to opt out of the settlement. On January 22, 2025, the court preliminarily approved the settlement. However, the settlement is still subject to the court's final approval, which may or may not be forthcoming. As of the date of the issuance of this report, the final approval hearing is scheduled for December 15, 2025, but may be moved by the court. If the settlement is approved, the resulting class action waiver will bar false advertising claims nationwide, and illegal gambling claims for residents of California and Illinois, from applicable time periods prior to the settlement. The settlement would not as a legal matter preclude the other matters referred to in this section from proceeding. The Company also believes, but cannot make any assurance, that the settlement would not have impact on the other matters referred to in this section, since they pertain to other issues in different states. The Company created a provision in the amount of USD 1,700 thousand, which, to the best belief of the Company's management, adequately reflects the financial exposure for the Company as of June 30, 2025, and as of the date of the issuance of this report.
- On June 28, 2023, a claimant filed a demand for arbitration alleging that the Company's social casino games are unlawful gambling under Kentucky law. The claimant seeks to recover treble the total of all amounts paid by Kentucky residents to the Company in those games during the period beginning five years before the filing of the demand (i.e. June 28, 2018) until the case is resolved. On June 24, 2024, the Company filed a dispositive motion. On September 5, 2024, the arbitrator issued an order on thresholds issues (such as choice of law and ability to bring representative actions) that was beneficial for the Company. However, the claimant refiled his claims under California law on

October 4, 2024. The final hearing on this matter was scheduled for August 5, 2025. The Company does not agree with the allegations and requests for relief made in the demand and believes that there are meritorious legal and factual arguments supporting the Company's position. However, in order to avoid further legal and arbitration fees, on July 29, 2025 the parties settled the dispute. The amount agreed to be paid under the settlement agreement will not have a material impact on the Company's operations, financial condition or cash flows.

- On November 13, 2023, a plaintiff filed a complaint in the Circuit Court of Coffee County Tennessee alleging that the Company's social casino games are unlawful gambling under Tennessee law. The lawsuit seeks to recover all amounts paid by Tennessee residents to the Company in those games during the period beginning one year before the filing of the lawsuit (i.e. November 13, 2022) until the case is resolved. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On December 21, 2023, the Company removed the case to the US District Court for the Eastern District of Tennessee and the case was subsequently remanded to the Circuit Court. On November 8, 2024, the Company filed a motion to compel arbitration and a motion to dismiss. On April 25, 2025, the Court issued an order granting the motion and giving the plaintiff until August 29, 2025 to amend the complaint. On August 29, 2025, the plaintiff filed an amended complaint. As of the date of the issuance of this report, to the best of the Company's knowledge, the litigation is not expected to have a material impact on the Company's operations, financial condition or cash flows.
- On August 22, 2024, a plaintiff filed a complaint in the United States District Court for the Western District of Kentucky Owensboro Division alleging that the Company's social casino games are unlawful gambling under Kentucky law. The lawsuit seeks to recover treble the total of all amounts paid by Kentucky residents to the Company in those games during the period beginning five years before the filing of the demand (i.e. August 22, 2019) until the case is resolved.. On January 31, 2025, the Company filed a motion to dismiss and a motion to compel arbitration. On May 27, 2025, the court denied both motions with the right to refile. On July 11, 2025, the Company filed a renewed motion to compel arbitration and the issues are fully briefed. As of the date of the issuance of this report, the parties are awaiting the judge's decision on the motion. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. As of the date of the issuance of this report, to the best of the Company's knowledge, the litigation is not expected to have a material impact on the Company's operations, financial condition or cash flows.

Except for the abovementioned proceedings, neither the Company nor any of its subsidiaries were, as of June 30, 2025, or as of the date of the approval of this Report for issue, a party to any significant court or arbitration proceedings or before any public authority.

## 11. Transactions with related parties

The Issuer and the companies in the Group conclude transactions with affiliates only on arm's-length terms. Information regarding transactions with related entities is provided in the Note 16 *Related Party Transactions* to the Interim Condensed Consolidated Financial Statements.

## 12. Granted sureties, loans, guarantees

Huuuge Global Ltd and Huuuge Games Sp. z o.o. have entered into two agreements with the banks for the purpose of conducting forward and derivative transactions. The maximum amount of the contingency obligation for both parties is disclosed in the Note 15 *Pledges, collaterals and other off-balance sheet positions* to the Interim Condensed Consolidated Financial Statements.

The Company and Huuuge Group companies did not give any other loan or credit sureties or guarantees.

**13. Other information important for the assessment of human resources, property, financial situation, financial result and their changes and information important for the assessment of the issuer's ability to meet its obligations**

There is no other significant information of the above nature in the Issuer's Capital Group as at June 30, 2025.



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Wojciech Wronowski  
Chief Executive Officer  
September 18, 2025



# Board of Directors' Statement

**HUUUGE**

**Board of Directors' Statements**

Pursuant to the requirements of the Regulation of the Minister of Finance of 6 June, 2025 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a non-member state may be recognized as equivalent, the Board of Directors of Huuuge, Inc. hereby represents that:

- 1) to the best of its knowledge, the semi-annual condensed consolidated financial statement of Huuuge Group and semi-annual condensed stand-alone financial statements of Huuuge, Inc. and the comparative information were prepared in accordance with accounting principles currently in effect and they reflect, in a true, fair and clear manner, the financial position and results of the Company and the Group, and;
- 2) the semi-annual report on activities contains a true image of the Company's and the Group's development, achievements and standing, including a description of the basic risks and threats.

On behalf of the Board of Directors of Huuuge, Inc.



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Anton Gauffin  
Executive Chairman of the Board

**Unanimous Written Consent  
Of The Board Of Directors Of Huuuge, Inc.**

The undersigned, being all of the members of the Board of Directors ("**Board**") of HUUUGE, INC., a Delaware corporation (the "**Company**"), following diligent review of the facts and related documents, have not uncovered any information to indicate that the Company should not execute the measures covered by this consent and, therefore, do hereby adopt the following resolutions by unanimous written consent ("**Board Consent**") in lieu of a meeting in accordance with Section 141(f) of the Delaware General Corporation Law ("**DGCL**") and the Bylaws of the Company, and further waive any and all notices that may be required to be given with respect to a meeting of the directors of the Company:

**WHEREAS**, the Company's CEO, Wojciech Wronowski and Huuuge Capital Group EVP Finance, Maciej Hebda, have presented to the Board

- half-year interim condensed consolidated financial statement of the Huuuge Group for the six-month period ended June 30, 2025 ("**Consolidated Financial Statement**");
- half-year interim condensed separate financial statement of the Huuuge Group for the six-month period ended June 30, 2025 ("**Separate Financial Statements**");
- half-year report on activities of Huuuge Group for the six-month period ended June 30, 2025 ("**Report on Activities**") together with the statement of the Board to the Report on Activities, which is attached as document named "Board of Director's Statement";

further referred to as the "**Report**" constituting Exhibit A to this Board Consent;

**WHEREAS**, the Company desires to approve and publish the Report;

**WHEREAS**, the Board is obligated to issue certain statement being a part of the Report on Activities;

**WHEREAS**, the Board has reviewed the Report and intends with this Board Consent to give to Mr. Wojciech Wronowski and Mr. Maciej Hebda, each individually, authorization to issue and execute the Report on behalf of the Company.

**NOW, THEREFORE**, it being in the best interest of the Corporation, it is hereby:

**RESOLVED**, that the Report substantially in the form attached herein as Exhibit A to this Board Consent is hereby approved and Mr. Wojciech Wronowski and Mr. Maciej Hebda, each individually, is authorized to issue and execute the Report on behalf of the Company;

**RESOLVED FURTHER**, that Mr. Anton Gauffin is authorized to sign on behalf of the Company certain statement being part of the Report on Activities in accordance with Exhibit A to this Board Consent, but with such changes and additions as Mr. Anton Gauffin may deem to be in the best interests of the Company (such determination that a change or addition is in the best interests of the Company to be conclusively evidenced by Mr. Anton Gauffin's or their designee's execution of the modification, provided that notice is provided to the Board of any changes to the Report that deviate from Exhibit A in a reasonable time after the Report have been executed);

**RESOLVED FURTHER**, that Mr. Wojciech Wronowski and Mr. Maciej Hebda, each individually, or their designee, as an authorized representative of the Company, is individually further authorized and directed to file the Report, with all exhibits thereto, and other documents in connection therewith, with the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) and to take all such further actions and to execute and deliver all such instruments and documents in the name and on behalf of the Company, and under corporate seal or otherwise, as in the individual's judgment shall be necessary, proper, or advisable in order to fully carry out the intent and to accomplish the purposes of the foregoing resolutions; and

**FINALLY RESOLVED**, that any and all actions of Mr. Anton Gauffin, Mr. Wojciech Wronowski and Mr. Maciej Hebda and any of his agents or designees pursuant to, or in furtherance of the intent and purposes of the foregoing resolutions, including prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed and approved as the acts and deeds of the Company.

The undersigned constituting all the members of the Board do hereby consent to and approve the adoption of the foregoing resolutions effective as of the date first written above. This Board Consent may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. This Board Consent may be executed by way of either digital or electronic signatures.

**Board Of Directors**

Anton Gauffin

Henric Suuronen

John Salter

Krzysztof Kaczmarczyk

Tom Jacobsson

# HUUUGE



## HUUUGE, INC.

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## Contact for Investors

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