



The Huuuge, Inc. Group Interim Condensed Consolidated Financial Statements

as at and for the six-month period ended June 30, 2025

prepared in accordance with the IAS 34 Interim Financial Reporting
as adopted by the European Union



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Interim condensed consolidated statement of comprehensive income

	Note	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited	Three-month period ended June 30, 2025 Unaudited	Three-month period ended June 30, 2024 Unaudited
Revenue	3	121,190	130,325	58,799	63,350
Cost of sales	4	(30,177)	(36,681)	(14,656)	(17,624)
Gross profit on sales		91,013	93,644	44,143	45,726
Sales and marketing expenses:	4	(22,625)	(30,645)	(11,536)	(15,560)
thereof, User acquisition marketing campaigns	4	(14,787)	(23,683)	(7,549)	(11,911)
thereof, General sales and marketing expenses	4	(7,838)	(6,962)	(3,987)	(3,649)
Research and development expenses	4	(10,056)	(11,583)	(4,056)	(5,878)
General and administrative expenses	4	(14,421)	(15,855)	(6,899)	(7,815)
Other operating income/(expense), net		(684)	(923)	(858)	29
Operating result		43,227	34,638	20,794	16,502
Finance income	5	3,649	4,005	1,503	1,898
Finance expense	5	(3,066)	(149)	(1,913)	(30)
Profit before tax		43,810	38,494	20,384	18,370
Income tax	6	(6,742)	(6,883)	(3,129)	(3,300)
Net result for the period		37,068	31,611	17,255	15,070

Other comprehensive income

Items that may be reclassified to profit or loss					
Exchange gains/(losses) on translation of foreign operations		5,182	(1,747)	3,512	(789)
Total other comprehensive income/(loss)		5,182	(1,747)	3,512	(789)
Total comprehensive income for the period		42,250	29,864	20,767	14,281

Net result for the period attributable to:

owners of the Parent		37,068	31,611	17,255	15,070
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Total comprehensive income for the period attributable to:

owners of the Parent		42,250	29,864	20,767	14,281
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Earnings per share (in USD)

basic	10	0.66	0.52	0.31	0.26
diluted	10	0.65	0.52	0.30	0.26

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

	Note	As at June 30, 2025 Unaudited	As at December 31, 2024 Audited
Assets			
Non-current assets			
Property, plant and equipment		1,848	2,254
Right-of-use assets	13	3,975	4,847
Goodwill		2,711	2,408
Intangible assets	8	6,169	7,780
Deferred tax assets		5,901	4,973
Long-term investments	7	-	500
Long-term lease receivables	13	618	1,149
Other long-term assets		2,180	1,927
Total non-current assets		23,402	25,838
Current assets			
Trade and other receivables		24,021	29,702
Short-term lease receivables	13	1,388	1,169
Corporate income tax receivable		2,732	2,301
Other short-term financial assets		2,454	2,465
Cash and cash equivalents	9	188,625	141,840
Total current assets		219,220	177,477
Total assets		242,622	203,315
Equity			
Share capital	11	1	1
Treasury shares	11	(15,589)	(15,720)
Supplementary capital	11	78,811	78,886
Employee benefit reserve	12	29,788	29,234
Foreign exchange reserve		1,915	(3,267)
Retained earnings		120,744	83,676
Total equity		215,670	172,810
<i>Equity attributable to owners of the Company</i>		<i>215,670</i>	<i>172,810</i>
Non-current liabilities			
Long-term lease liabilities	13	1,973	3,609
Other long-term liabilities		401	355
Total non-current liabilities		2,374	3,964
Current liabilities			
Trade and other payables		12,966	11,426
Deferred income	3	1,708	1,879
Corporate income tax liabilities		3,898	7,594
Short-term lease liabilities	13	4,306	3,942
Provisions	14	1,700	1,700
Total current liabilities		24,578	26,541
Total equity and liabilities		242,622	203,315

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity

Equity attributable to owners	Note	Share capital	Treasury shares	Supplementary capital	Employee benefit reserve	Retained earnings	Foreign exchange reserve	Equity
As at January 1, 2025, Audited		1	(15,720)	78,886	29,234	83,676	(3,267)	172,810
Net profit/(loss) for the period		-	-	-	-	37,068	-	37,068
Other comprehensive income - foreign currency exchange gains/(losses)		-	-	-	-	-	5,182	5,182
Total comprehensive income for the period		-	-	-	-	37,068	5,182	42,250
Exercise of stock options	11, 12	0*	131	(75)	-	-	-	56
Employee share schemes - value of employee services	12	-	-	-	554	-	-	554
As at June 30, 2025, Unaudited		1	(15,589)	78,811	29,788	120,744	1,915	215,670

* 0 represents an amount less than USD 1 thousand.

Equity attributable to owners	Note	Share capital	Treasury shares	Supplementary capital	Employee benefit reserve	Retained earnings	Foreign exchange reserve	Equity
As at January 1, 2024, Audited		1	(16,652)	150,364	25,749	18,324	(726)	177,060
Net profit/(loss) for the period		-	-	-	-	31,611	-	31,611
Other comprehensive income - foreign currency exchange gains/(losses)		-	-	-	-	-	(1,747)	(1,747)
Total comprehensive income for the period		-	-	-	-	31,611	(1,747)	29,864
Exercise of stock options	11, 12	0**	587	(422)	-	-	-	165
Employee share schemes - value of employee services	12	-	-	-	2,121	-	-	2,121
Transaction costs of SBB program*		-	(832)	-	-	-	-	(832)
Repurchase of common shares under Share Buyback Scheme ("SBB")	11	-	(70,000)	-	-	-	-	(70,000)
Retirement of shares purchased during the Share Buyback Scheme ("SBB")	11	-	70,832	(70,832)	-	-	-	-
As at June 30, 2024, Unaudited		1	(16,065)	79,110	27,870	49,935	(2,473)	138,378

* Transaction costs related to the Share Buyback ("SBB") program include directly attributable costs incurred before June 30, 2024, incl. excise tax on certain repurchases of shares by corporations, recognized as a deduction from equity. The change of trade and other payables presented in the interim consolidated statement of financial position as at June 30, 2024 does not equal the change in the consolidated statement of cash flows for the six-month period ended June 30, 2024. The difference of USD 409 thousand is due to the transaction costs related to SBB, presented in the cash flows from financing activities in the interim consolidated statement of cash flows, which were not paid as at June 30, 2024.

** 0 represents an amount less than USD 1 thousand.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

	Note	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Cash flows from operating activities			
Profit/(loss) before tax		43,810	38,494
Adjustments for:			
Depreciation and amortization	4	4,495	4,625
Finance (income)/expense, net	5	2,702	(4,176)
Revaluation losses on financial instruments	7	1,000	-
Non-cash employee benefits expense - share-based payments	12	554	2,121
(Profit)/loss on disposal of property, plant and equipment and derecognition of intangible assets		219	51
Changes in net working capital:			
Trade and other receivables, and other long-term assets		4,545	6,636
Trade and other payables		375	(4,241)
Other short-term financial assets		11	(2,574)
Deferred income		(171)	(807)
Other adjustments		87	(30)
Cash flows from operating activities		57,627	40,099
Income tax paid		(10,006)	(7,366)
Net cash flows from operating activities		47,621	32,733
Cash flows from investing activities			
Interest received	5	3,456	2,937
Sublease payments received	13	598	552
Long-term investments	7	(500)	(3,500)
Software expenditure	8	(485)	(1,649)
Acquisition of property, plant and equipment		(198)	(932)
Interest received from sublease	13	60	88
Net cash flows from/(used in) investing activities		2,931	(2,504)
Cash flows from financing activities			
Lease repayment	13	(2,230)	(2,083)
Transaction costs related to repurchase of own shares		(377)	(423)
Interest paid	13	(92)	(118)
Exercise of stock options	12	56	165
Repurchase of common shares under Share Buyback Scheme ("SBB")		-	(70,000)
Net cash flows from/(used in) financing activities		(2,643)	(72,459)
Net increase/(decrease) in cash and cash equivalents		47,909	(42,230)
Effect of exchange rate fluctuations and accrued interest		(1,124)	(289)
Cash and cash equivalents at the beginning of the period		141,840	152,110
Cash and cash equivalents at the end of the period		188,625	109,591

The accompanying notes are an integral part of these interim condensed consolidated financial statements.



Notes to the interim condensed consolidated financial statements

1. General information

Huuuge, Inc. (hereinafter the “Company”, the “Parent Company”) is a company registered in the United States of America. The Company’s registered office is located in Dover, Delaware, 850 Burton Road, Suite 201, DE 19904, and the operating office is located in Las Vegas, Nevada, 2300 W. Sahara Ave., Suite #680, Mailbox #32, NV 89102.

The Company was established with a notary deed on February 11, 2015.

As at June 30, 2025 and December 31, 2024, the Huuuge Inc. Group (the Company and its subsidiaries collectively referred to as the “Group”) comprised the Parent Company and its subsidiaries, as listed below.

Name of entity	Registered seat	Activities	Parent Company's share in capital	
			As at June 30, 2025	As at December 31, 2024
Huuuge Games Sp. z o.o.	Szczecin, Poland	games development and operations	100%	100%
Huuuge Global Ltd	Limassol, Cyprus	games distribution, user acquisition	100%	100%
Huuuge Publishing Ltd (formerly Fun Monkey Ltd)	Limassol, Cyprus	games distribution	100%	100%
Huuuge Block Ltd (formerly Coffee Break Games Ltd) *	Limassol, Cyprus	under the strike-off process	100%	100%
Billionaire Games Limited	Limassol, Cyprus	games distribution	100%	100%
Huuuge Digital Ltd	Tel Aviv, Israel	games development, R&D	100%	100%
Playable Platform B.V. **	Amsterdam, Netherlands	games development, R&D, in liquidation	100%	100%
Double Star Oy ***	Helsinki, Finland	games development, in liquidation	100%	100%
Huuuge UK Ltd	London, United Kingdom	product management	100%	100%

* Huuuge Block Ltd. has ceased its operations and the Board of Huuuge Block Ltd., filed an application to strike off Huuuge Block Ltd on December 4, 2024. Huuuge Block Ltd. does not undertake any operational activity, it will cease to exist once the application is approved by the authorities.

** On March 31, 2025, Playable Platform B.V. entered into voluntary liquidation proceedings. The process of liquidation of the subsidiary is ongoing as of the date of approval of these interim condensed consolidated financial statements for issue.

*** On March 24, 2025, Double Star Oy entered into voluntary liquidation proceedings. The process of liquidation of the subsidiary is ongoing as of the date of approval of these interim condensed consolidated financial statements for issue.

The core business activities of the Group include:

- development of mobile games in the free-to-play model,
- distribution and user acquisition of proprietary mobile games.

The Group’s business activities are not subject to significant seasonal or cyclical trends. The Group’s business activities are characterized by low environmental impact. For more information on climate matters, please refer to the Annual report for the twelve-month period ended December 31, 2024. There were no significant risks identified related to climate change.

Composition of the Company's Board of Directors as at June 30, 2025 and as at the date of signing of these interim condensed consolidated financial statements

Directors have annual terms of duty and serve until the successors are duly elected. Preferred shareholders have the right to appoint certain directors. Effective on April 18, 2025, Mr. Krzysztof Kaczmarczyk and Mr. Tom Jacobsson were re-elected as independent non-executive directors. In connection with the election of members of the Board of Directors by the Annual General Meeting, Mr. John Salter was elected to serve as the Series A Director for the next term, and Mr. Henric Suuronen and Mr. Anton Gauffin to serve as the Series B Directors for the next term.

As at December 31, 2024, as well as at June 30, 2025 and as at the date of signing of these interim condensed consolidated financial statements, the composition of the Company's Board of Directors was the following:

- Anton Gauffin, executive director, Executive Chairman of the Board,
- Henric Suuronen, non-executive director,
- Krzysztof Kaczmarczyk, non-executive director,
- John Salter, non-executive director,
- Tom Jacobsson, non-executive director.

2. Accounting policies

1) Basis for preparation of the interim condensed consolidated financial statements

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

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended December 31, 2024 prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

These interim condensed consolidated financial statements as at and for the six-month period ended June 30, 2025 were approved on September 17, 2025 by the Board of Directors. The Group has prepared these interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern.

These interim condensed consolidated financial statements are prepared on the historical cost basis, except for financial instruments, measured at fair value.

2) Material accounting policies, key judgments and estimates

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements as at and for the year ended December 31, 2024, except for the adoption of new standards effective as at January 1, 2025. The Group has not early-adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2025 but do not have an impact on the interim condensed consolidated financial statements of the Group. In preparing these interim condensed consolidated financial statements, the significant judgements and estimates made by management in applying the Group's accounting policies have been consistently applied by the Group and are consistent across the reported periods.

3) Adoption of new and revised standards

The EU IFRS include all International Accounting Standards, International Financial Reporting Standards and Interpretations as approved by the European Union. As at the date of approving these interim condensed consolidated financial statements for issue, considering the pending process of introducing IFRSs in the EU and the operations conducted by the Group, the EU IFRS applicable to these financial statements might differ from IFRS adopted by the International Accounting Standards Board.

In preparing these interim condensed consolidated financial statements, the Group's management has analyzed new Standards that have already been adopted by the European Union and that should be applied for periods beginning on or after January 1, 2025.

New International Financial Reporting Standards and Interpretations published but not yet effective:

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on September 11, 2014) – the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by International Accounting Standards Board;
- IFRS 18: Presentation and disclosure in financial statements (issued on April 9, 2024) – not yet endorsed by EU at the date of approval of these interim condensed consolidated financial statements for issue – effective for financial years beginning on or after January 1, 2027;
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (issued on May 9, 2024) – not yet endorsed by EU at the date of approval of these interim condensed consolidated financial statements for issue – effective for financial years beginning on or after January 1, 2027;
- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (issued on May 30, 2024) – effective for financial years beginning on or after 1 January 2026;
- Annual Improvements Volume 11 (issued on July 18, 2024) – effective for financial years beginning on or after January 1, 2026;
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (issued on December 18, 2024) – effective for financial years beginning on or after January 1, 2026;
- Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures (issued on August 21, 2025) – not yet endorsed by EU at the date of approval of these interim condensed financial statements – effective for financial years beginning on or after 1 January 2027.

These standards and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

New International Financial Reporting Standards and Interpretations effective for the first time for financial year 2025:

During the six-month period ended June 30, 2025, the following IFRS and amendments to IFRS or interpretations entered into force:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on August 15, 2023) - effective for financial years beginning on or after January 1, 2025.

The amendment listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

3. Revenue and segment information

Huuuge's business, development and sales of casual games for mobile platforms is global, and both games and sales channels are the same, regardless of where the players (customers) are located. Management measures and monitors the Group's revenue in respect of each game, but does not allocate all costs, assets and liabilities by game and does not measure the operating results by game. In management's view, the operations and the Group's financial performance and position cannot be divided into different segments in such a way that it improves the ability to analyze and manage the Group. As at June 30, 2025 the CEO is the Chief operating decision-maker and for this reason, the CEO analyzes the consolidated financial position and operating results of the Group as a whole; therefore, it has been determined that the Group has only one operating segment ("online mobile games").

The Group's management monitors operating results on a group-wide basis for the purpose of making decisions about resource allocation and performance assessment.

The Group's revenue from contracts with clients comprises revenue generated by in-app purchases (gaming applications) and in-app ads (advertising). Revenue generated from gaming applications for the six-month period ended June 30, 2025 amounted to USD 120,604 thousand (USD 129,174 thousand for the six-month period ended June 30, 2024), and revenue generated from

advertising amounted to USD 586 thousand for the six-month period ended June 30, 2025 (USD 1,151 thousand for the six-month period ended June 30, 2024).

The Group's revenue is recognized over time, irrespective of product or geographical region.

For the gaming services, the transaction price is prepaid by the customers when virtual coins are purchased to allow continuation of the game; the payments result in the recognition of the contract liability in the interim condensed consolidated statement of financial position in the line "Deferred income". The amounts recognized as deferred income are recognized as revenue within an average of two days.

For the gaming service, the amount recognized as deferred income as at the balance sheet date also represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period.

For advertising, the Group does not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period using the practical expedient allowed under IFRS 15, i.e., the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

Below is the split of the revenue per main product groups:

	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Huuuge Casino	79,131	84,069
Billionaire Casino	40,165	42,786
Traffic Puzzle	1,396	2,783
Other games	498	687
Total revenue	121,190	130,325

Revenue was generated in the following geographical locations:

	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
North America	71,517	77,095
Europe	35,230	37,876
Asia-Pacific (APAC)	12,370	13,117
Other	2,073	2,237
Total revenue	121,190	130,325

The line "North America" includes revenue generated in the United States amounting to USD 68,477 thousand during the six-month period ended June 30, 2025 (USD 73,441 thousand during the six-month period ended June 30, 2024). The above is the management's best estimate, as no geographical breakdown is available for some revenue sources.

The allocation to regions is driven by the location of individual end-user customers. No individual end-user customer with whom the Group concludes transactions had a share of 10% or more in the Group's total revenues in the six-month period ended June 30, 2025 or June 30, 2024. The vast majority of revenues is generated by several platform providers, such as Apple App Store, Google Play, Facebook and Amazon App Store, as well as directly through direct-to-consumer offering (Web store).

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

	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Third-party platforms	96,007	117,225
Direct-to-consumer platforms	25,183	13,100
Total revenue	121,190	130,325

4. Operating expenses

For the six-month period ended June 30, 2025, the operating expenses comprised:

Expenses by nature, Unaudited	Total	Cost of sales	Sales and marketing expenses		Research and development expenses	General and administrative expenses
			thereof, User acquisition marketing campaigns	thereof, General sales and marketing expenses		
Platform fees to distributors	29,198	29,198	-	-	-	-
External developers fees	-	-	-	-	-	-
Gaming servers expenses	188	188	-	-	-	-
External marketing and sales services	17,440	-	14,787	2,653	-	-
Salaries and employee-related costs	19,239	-	-	4,900	9,068	5,271
Employee stock option plan	554	-	-	69	(135)	620
Depreciation and amortization	4,495	791	-	204	900	2,600
Finance & legal services	1,935	-	-	-	-	1,935
IT equipment and software expenses	1,691	-	-	-	-	1,691
Property maintenance and external services	881	-	-	-	-	881
Other costs	1,658	-	-	12	223	1,423
Total operating expenses	77,279	30,177	14,787	7,838	10,056	14,421

Salaries and employee-related costs include costs related to the headcount reductions amounting to USD 2,596 thousand. Other costs under research and development expenses mainly include external costs of development, graphics and gaming content. Other costs under general and administrative expenses include mainly payroll and recruitment services, office management services (including company events), training costs and business travel expenses.

For the six-month period ended June 30, 2024, the operating expenses comprised:

Expenses by nature, Unaudited	Total	Cost of sales	Sales and marketing expenses		Research and development expenses	General and administrative expenses
			thereof, User acquisition marketing campaigns	thereof, General sales and marketing expenses		
Platform fees to distributors	35,580	35,580	-	-	-	-
External developers fees	300	-	-	-	300	-
Gaming servers expenses	310	310	-	-	-	-
External marketing and sales services	26,423	-	23,683	2,740	-	-
Salaries and employee-related costs	19,276	-	-	3,839	9,663	5,774
Employee stock option plan	2,121	-	-	101	199	1,821
Depreciation and amortization	4,625	791	-	274	910	2,650
Finance & legal services	1,571	-	-	-	-	1,571
IT equipment and software expenses	1,672	-	-	-	-	1,672
Property maintenance and external services	926	-	-	-	-	926
Other costs	1,960	-	-	8	511	1,441
Total operating expenses	94,764	36,681	23,683	6,962	11,583	15,855

Other costs under research and development expenses include costs of development, graphics and gaming content. Other costs under general and administrative expenses include mainly business travel expenses, office management services (including company events), training costs and costs of recruitment and payment services.

5. Finance income and finance expense

Finance income

	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Interest income	3,649	2,974
Foreign exchange gains, net	-	1,031
Total finance income	3,649	4,005

In the six-month period ended June 30, 2025, finance income amounted to USD 3,649 thousand, which mainly comprises interest income on money market mutual funds accounts and bank deposits. In the six-month period ended June 30, 2024, finance income amounted to USD 4,005 thousand, which mainly comprises interest income on deposits and money market mutual funds accounts and foreign exchange gains, net.

Finance expense

	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Foreign exchange losses, net	2,952	-
Interest expense	92	149
Financial contracts revaluation	22	-
Total finance expense	3,066	149

In the six-month period ended June 30, 2025, finance expense includes mainly foreign exchange losses, net in the amount of USD 2,952 thousand, as well the interest expense in the amount of USD 92 thousand which comprises mainly interest expense recognized under IFRS 16 on lease liabilities (USD 149 thousand in the six-month period ended June 30, 2024, mainly interest expense recognized under IFRS 16 on lease liabilities).

Huuuge Global Ltd and Huuuge Games Sp. z o.o. enter into currency forward contracts. Contracts are short term, i.e. for the period not exceeding 6 months. Notional amount of the outstanding contracts as at June 30, 2025 amounted to USD 39,201 thousand. The effect of the contracts valuation amounted to USD 22 thousand in the six-month period ended June 30, 2025, and was included in the line Financial contracts revaluation.

In addition to finance income and expenses, the "Finance (income)/cost, net" line presented in the interim condensed consolidated statements of cash flows includes the effect of exchange gains and losses on translation of foreign operations to the presentation currency, i.e. USD.

6. Income tax

	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Current income tax	7,600	7,171
Change in deferred income tax	(858)	(288)
Income tax for the period	6,742	6,883

The subsidiary companies are subject to taxes for their respective businesses in the countries of their registration at the rates prevailing in those jurisdictions. Income tax expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

The average tax rate used for the six-month period ended June 30, 2025 is 15.4%, compared to 17.9% for the six-month period ended June 30, 2024. The tax rate was lower in the six-month period ended June 30, 2025 mainly due to the lower proportion of non-tax deductible costs in comparison to the prior period, as well as due to no tax losses without recognized tax benefit on contrary to the six-month period ended June 30, 2024.

7. Long-term investments

Investment in Bananaz Studios Ltd

On March 17, 2024, the Company concluded a simple agreement for future equity ("SAFE") with Bananaz Studios Ltd., under which it invested USD 3,500 thousand, and a call option deed agreement (the "Call Option Deed"). The SAFE provided for an additional investment of USD 2,500 thousand, conditional upon the achievement of certain performance indicators by Bananaz Studios Ltd. The conditions for the second tranche were not fulfilled and, consequently, the additional payment was not made.

Pursuant to a call option deed, the Company was granted the right to acquire all shares in Bananaz Studios Ltd., subject to the completion of the second tranche and fulfilment of specific terms. The call option was not exercised.

As at December 31, 2024 the carrying value of the asset recognised in the line "Long-term investments" in the consolidated statement of financial position for the year ended December 31, 2024 was reduced by USD 3,500 thousand to zero. Accordingly, the revaluation loss of USD 3,500 thousand was recognised in the consolidated statement of comprehensive income for the period ended December 31, 2024, in the line "Other operating income/(expense), net". As at June 30, 2025 the carrying value of the asset recognised in the line "Long-term investments" in the interim condensed consolidated statement of financial position equals zero.

Following the information issued in the Current Report nr 4/2025 related to the cessation of further financing of Bananaz Studios Ltd., based on the resolution of the shareholders of Bananaz Studios Ltd., Huuuge, Inc. received 1,110,000 ordinary shares of the Bananaz Studios Ltd. (equivalent to 5.8% of share capital) without additional consideration, as well as Huuuge, Inc.'s rights with respect to the SAFE agreement and call option deed agreement were waived.

Investment in Empire Games Ltd.

On August 14, 2024, the Company concluded a simple agreement for future equity (the "SAFE") with Empire Games Ltd., with its seat in London, England ("Empire Games") for the total amount of up to USD 1,500 thousand to be paid in tranches. As of the date of approval of these interim condensed consolidated financial statements for issue, the Company made the payment of the two tranches in the total amount of USD 1,000 thousand. The third tranche, which is at the sole discretion of the Company, was not paid.

In addition, the Company concluded a call option deed agreement (the "Call Option Deed") with Empire Games and its shareholders. In accordance with the provisions of the Call Option Deed, the Company was granted the right (not an obligation) to acquire the entire issued share capital of Empire Games (existing or future) together with all rights attached thereto. The Company was entitled to exercise the Call Option at any time following the investment of the second tranche under SAFE, and ending on the date falling 18 months following the date of the investment of the second tranche. The price of the call option was set to USD 650 thousand and was subject to additional bonuses conditional upon the achievement of agreed performance metrics. The call option was not exercised.

As at June 30, 2025 the carrying value of the asset recognised in the line "Long-term investments" in the interim condensed consolidated statement of financial position for the six-month period ended June 30, 2025 was reduced by USD 1,000 thousand to zero. Accordingly, the revaluation loss of USD 1,000 thousand was recognised in the interim condensed consolidated statement of comprehensive income as at and for the six-month period ended June 30, 2025, in the line "Other operating income/(expense), net". The Company has also decided that it will undertake actions to cease further financing of Empire Games Ltd. As at June 30, 2025 the carrying value of the asset recognised in the line "Long-term investments" in the interim condensed consolidated statement of financial position equals zero.

8. Intangible assets

	IP rights	Software generated internally	Software acquired externally	Prepayments for intangible assets	Total
Gross book value as at January 1, 2025	39,544	6,981	5,857	964	53,346
Additions	-	-	538	169	707
Net foreign exchange differences on translation	-	-	80	1	81
Gross book value as at June 30, 2025	39,544	6,981	6,475	1,134	54,134
Accumulated amortization and impairment as at January 1, 2025	(36,343)	(4,422)	(4,801)	-	(45,566)
Amortization charge for the period	(791)	(901)	(640)	-	(2,332)
Net foreign exchange differences on translation	-	4	(71)	-	(67)
Accumulated amortization and impairment as at June 30, 2025	(37,134)	(5,319)	(5,512)	-	(47,965)
Net book value as at January 1, 2025, Audited	3,201	2,559	1,056	964	7,780
Net book value as at June 30, 2025, Unaudited	2,410	1,662	963	1,134	6,169

	IP rights	Software generated internally	Software acquired externally	Prepayments for intangible assets	Total
Gross book value as at January 1, 2024	39,743	5,690	3,766	1,653	50,852
Additions	-	-	1,832	709	2,541
Transfers	-	450	-	(450)	-
Net foreign exchange differences on translation	-	(1)	(14)	-	(15)
Gross book value as at June 30, 2024	39,743	6,139	5,584	1,912	53,378
Accumulated amortization and impairment as at January 1, 2024	(34,959)	(2,530)	(3,509)	-	(40,998)
Amortization charge for the period	(798)	(914)	(657)	-	(2,369)
Net foreign exchange differences on translation	5	1	13	-	19
Accumulated amortization and impairment as at June 30, 2024	(35,752)	(3,443)	(4,153)	-	(43,348)
Net book value as at January 1, 2024, Audited	4,784	3,160	257	1,653	9,854
Net book value as at June 30, 2024, Unaudited	3,991	2,696	1,431	1,912	10,030

No indicators for additional impairment recognition or reversal were identified as at June 30, 2025 and June 30, 2024 in relation to intangible assets. As at June 30, 2025, and as at the date of approval of these interim condensed consolidated financial statements for issue, there were no pledges or collaterals on the Group's intangible assets.

Prepayments for intangible assets relate to the payments made on development of supporting tools (i.e. software).

9. Cash and cash equivalents

	As at June 30, 2025, Unaudited	As at December 31, 2024 Audited
Money market mutual fund investments	146,986	113,654
Deposits	36,496	18,068
Cash at banks (current accounts)	5,143	5,617
Cash for buy-sell-back transactions	-	4,501
Total cash and cash equivalents	188,625	141,840

As at June 30, 2025, there were short-term cash deposits amounting to USD 36,496 thousand. Maturity of these investments is three months, and they are repayable on demand, thus the investments are highly liquid, readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value, and meet the criteria indicated in IAS 7 Statement of Cash Flows, and have been considered in substance as cash equivalents.

Money market mutual fund investments are classified as cash equivalents. For the details, please refer to Note 2.2 *Key judgements and estimates* in the consolidated financial statements as at and for the year ended December 31, 2024.

During the six-month period ended June 30, 2025, money market mutual fund investments, deposits and buy-sell-back transactions generated interest income in the total amount of USD 3,554 thousand. This includes the accrued interest from bank deposits in the amount of USD 512 thousand (USD 435 thousand as at December 31, 2024). For details, please refer to Note 5 *Finance income and finance expense*.

As at June 30, 2025, there was restricted cash in the amount of USD 18 thousand (USD 17 thousand as at December 31, 2024).

10. Earnings per share

Detailed methodology of calculation of basic and diluted earnings per share is presented in the Group's consolidated financial statements as at and for the year ended December 31, 2024.

		Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Net result attributable to the owners of the Parent	[A]	37,068	31,611
Undistributed profit (loss) attributable to holders of series A and B preferred shares	[B]	-	-
Profit (loss) attributable to holders of ordinary shares	[C]=[A]-[B]	37,068	31,611

		Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Weighted average number of ordinary shares	[D]	56,079,757	60,371,117
Basic EPS	[E] = [C]/[D]	0.66	0.52

Weighted average number of ordinary shares adjusted for the effect of dilution is presented below:

		Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Weighted average number of issued ordinary shares used in calculating basic earnings per share	[D]	56,079,757	60,371,117
Employee Stock Option Plan	[F]	989,209	221,509
Weighted average number of issued ordinary shares and potential ordinary shares used in calculating diluted earnings per share	[G]=[D]+[F]	57,068,966	60,592,626
Diluted EPS	[H]=[C]/[G]	0.65	0.52

11. Share capital

As at June 30, 2025 and June 30, 2024, the Group's share capital comprised common shares and preferred shares series A and B. Below are presented movements on different components of equity divided in the categories of shares (nominal values presented in USD, not thousand USD):

Shares classified as equity instruments as at June 30, 2025:

	Common shares (outstanding)		Preferred shares (series A and B)		Treasury shares		Treasury shares allocated for the existing share-based payment programs		Total (issued)	
	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value
As at January 1, 2025, Audited	56,069,697	1,122	2	0	3,915,282	79	-	-	59,984,981	1,201
Allocation of shares to Share-based payment program	-	-	-	-	(33,714)	(1)	33,714	1	-	-
Exercise of stock options	33,714	1	-	-	-	-	(33,714)	(1)	-	-
As at June 30, 2025, Unaudited	56,103,411	1,123	2	0	3,881,568	78	-	-	59,984,981	1,201

Shares classified as equity instruments as at June 30, 2024:

	Common shares (outstanding)		Preferred shares (series A and B)		Treasury shares		Treasury shares allocated for the existing share-based payment programs		Total (issued)	
	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value
As at January 1, 2024, Audited	62,977,148	1,260	2	0	4,147,628	84	-	-	67,124,778	1,344
Allocation of shares to Share-based payment program	-	-	-	-	(168,509)	(3)	168,509	3	-	-
Exercise of stock options	145,582	3	-	-	-	-	(145,582)	(3)	-	-
Repurchase of common shares under Share Buyback Scheme ("SBB")	(7,139,797)	(143)	-	-	7,139,797	143	-	-	-	-
Retirement of treasury shares	-	-	-	-	(7,139,797)	(143)	-	-	(7,139,797)	(143)
As at June 30, 2024, Unaudited	55,982,933	1,120	2	0	3,979,119	81	22,927	0	59,984,981	1,201

As at June 30, 2025, the Company was authorized to issue up to 85,300,474 shares with a par value of USD 0.00002 (85,300,472 common shares and 1 share of series A preferred share and 1 share of series B preferred share), out of which as at June 30, 2025, 120,478 shares were allocated to a reserve that could be issued only with majority shareholders' approval (28,603,873 as at June 30, 2024).

As at June 30, 2025, the issued share capital of the Company comprised 59,984,981 shares (fully paid) with a par value of USD 0.00002 per share and the total value of USD 1,201 (not thousands), including 56,103,411 common shares held by shareholders, two preferred shares (one preferred share of series A and one preferred share of series B) held by shareholders and 3,881,568 common shares reacquired by the Company and not redeemed (presented in the tables above: treasury shares and treasury shares allocated to the existing share-based payment programs).

As at June 30, 2024, the issued share capital of the Company comprised 59,984,981 shares (fully paid) with a par value of USD 0.00002 per share and a total value of USD 1,201 (not thousands), including 55,982,933 common shares held by shareholders, two preferred shares (one preferred share of series A and one preferred share of series B) held by shareholders and 4,002,046 common shares reacquired by the Company and not redeemed (presented in the tables above: treasury shares and treasury shares allocated for the existing share-based payment programs).

During the six-month period ended June 30, 2025, the number of shares (not issued) allocated to the existing share-based payment programs was reduced by 33,714 shares. This is because 33,714 treasury shares were delivered to employees for the options exercised during the period. As at June 30, 2025, 9,826,119 shares with a par value of USD 0.00002 per share were reserved for two stock option programs established in 2015 and 2019.

Holders of the two series A and series B preferred shares, which may be converted for a fixed number of common shares, have several rights additional to the ones of the common shareholders, which may vary for series A and B. These rights are stipulated in the corporate documents of Huuuge, Inc., in particular in the Fifth Amended and Restated Certificate of Incorporation. Essentially, the rights refer to:

- protective provisions in case of liquidation, dissolution, winding up, certain mergers, consolidations and sale of assets of Huuuge, Inc. or conversion to common shares – the holders of series A or B preferred shares shall be entitled to be paid out of the assets of the Company available for distribution to its shareholders before the holders of common shares,
- election of directors for every separate class of preferred shares - one director for series A preferred shares and two directors for series B preferred shares.

As at June 30, 2025 and June 30, 2024, no shareholder owned over 50% of the Company's equity or had more than 50% of voting rights. The Company's major shareholder is Mr. Anton Gauffin, founder and Executive Chairman of the Board, who participates in the Company's ordinary shares indirectly (through shares of Big Bets OU).

The supplementary capital derives mainly from the difference between nominal value and the market price on issuance of shares, or the difference between the book value and purchase price on re-issue of treasury shares.

In the six-month period ended June 30, 2025, the following transactions took place:

- **Delivery of the treasury shares for options exercised**

In the six-month period ended June 30, 2025, 110,136 share options held by employees under the share-based payment program were exercised. Of these, 110,136 options exercised resulted in the delivery of 33,714 treasury shares to employees before June 30, 2025 (the difference between the number of options exercised and the number of treasury shares delivered is due to cashless exercises).

The delivery of treasury shares was presented as a movement from treasury shares to common shares. The movement resulted in an increase in share capital in the amount of the nominal value of the shares delivered, and the difference between the value of treasury shares and the cash consideration received in the amount of USD 56 thousand was recognized in supplementary

capital. At the same time, the movement decreased the number of shares (not issued) allocated to the existing share-based payment programs.

In the six-month period ended June 30, 2024, the following transactions took place:

- **Delivery of the treasury shares for options exercised**

In the six-month period ended June 30, 2024, 296,767 share options held by employees under the share-based payment program were exercised. Of these, 256,591 options exercised resulted in the delivery of 145,582 treasury shares to employees before June 30, 2024, and 40,176 options resulted in the delivery of 22,927 treasury shares after June 30, 2024 (the difference between the number of options exercised and the number of treasury shares delivered is due to cashless exercises).

The delivery of treasury shares was presented as a movement from treasury shares to common shares. The movement resulted in an increase in share capital in the amount of the nominal value of the shares delivered, and the difference between the value of treasury shares and the cash consideration received in the amount of USD 422 thousand was recognized in supplementary capital. At the same time, the movement decreased the number of shares (not issued) allocated to the existing share-based payment programs.

- **Acquisition of shares under Share Buyback Scheme ("SBB") and retirement of shares purchased by the Company during the share buyback**

On March 14, 2024, the Company announced a share buyback in the form of a time-limited invitation to submit to the Company sale offers relating to shares in the Company, at a pre-determined and fixed price per share, open to all shareholders of the Company (the "Invitation") (the "SBB").

The settlement of the SBB took place on April 23, 2024 (the "Settlement Date") outside the organized system of trading in financial instruments through IPOPEMA Securities S.A. The acquisition was made at a gross price of USD 9.8042. Amounts due to investors, after withholding of applicable taxes, have been converted from USD to PLN in accordance with the interbank exchange rate applicable as of April 22, 2024 (as the day preceding the Settlement Date), which is 4.05.

In the course of the SBB:

- The Company acquired 7,139,797 shares of common stock of its own shares for the total amount of USD 69,999,998, which constituted 10.64% share capital of the Company and entitled to 10.64% of the total number of votes at the general meeting of the Company. After the SBB, the Company held 11,141,843 treasury shares representing 16.60% of its share capital and total number of votes at the General Meeting,
- Big Bets OÜ sold to the Company 2,332,116 shares of common stock of the Company, constituting 3.47% of the share capital of the Company entitling to 3.47% of the total amount of votes at the General Meeting,
- RPII HGE LLC sold to the Company 970,559 shares of common stock of the Company, constituting 1.45% of the share capital of the Company entitling to 1.45% of the total amount of votes at the General Meeting.

Prior to the SBB settlement, the Company owned 4,002,046 common shares that represented 5.96% of the Company's share capital and did not entitle the Company to voting rights. Following the settlement of the SBB, the Company owned a total of 11,141,843 shares that represented 16.60% of the Company's share capital and do not entitle the Company to voting rights. Consequently, following the settlement of the SBB, there were 67,124,778 shares of the Company issued and conferring 55,982,935 votes in total at the general meeting of the Company.

On April 26, 2024, in accordance with Section 243 of the Delaware General Corporation law, the Board of Directors adopted a resolution on the retirement of 7,139,797 shares of common stock of the Issuer representing 10.64% of the issued share capital of the Company at the time (as announced in Current Report no. 23/2024). The shares that were subject to the retirement were purchased by the Company during the SBB with the intention that the shares will be retired, other than those shares necessary, in the Company's view, to satisfy its ongoing needs under the Issuer's employee stock option plans.

Effective as of the adoption of the resolution of the Board of Directors, the retired shares resumed the status of authorized and unissued shares of the common stock of the Issuer. At the same time, the Issuer's issued share capital decreased from 67,124,778 to 59,984,981 shares.

- **Authorised capital decrease**

As reported in the current report no. 35/2024 dated July 3, 2024, in connection with resolutions adopted at the Annual General Meeting of Shareholders of the Company on June 18, 2024 and in connection with the submission of an application to the Delaware Secretary of State to register amendments to the Certificate of Incorporation, the Delaware Secretary of State registered amendments to the Company's Memorandum of Association on July 2, 2024.

The authorised capital of the Company was decreased to 85,300,474 shares by amending Paragraph 4.1 of Article IV of the Certificate of Incorporation.

Share structure of the Company after decreasing the authorised capital was as follows:

1. The authorized capital comprised 85,300,474 shares divided into two classes, consisting of (i) 85,300,472 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;

2. The issued capital was 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.

Each share of common stock and preferred stock gives the right to one vote at the general meeting of the Company, which results in the total number of votes from all issued shares equal to 59,984,981.

12. Share-based payment arrangements

A detailed description of the Group's equity share-based payment program, i.e. ESOP, and a fair value measurement of the employee share options are presented in the Group's consolidated financial statements as at and for the year ended December 31, 2024.

Movements in share options during the period were as follows (weighted average exercise prices are presented in USD, not in thousand USD):

	Six-month period ended June 30, 2025	
	Number of options	Weighted average exercise price
Balance as at January 1, Audited	5,353,223	6.08
Granted during the period	894,519	0.01
Increase due to modification in period	586,077	0.01
Decrease due to modification in period	(2,559,446)	5.78
Forfeited during the period	(572,348)	6.44
Exercised during the period	(110,136)	3.76
Expired during the period	(100,901)	4.66
Balance as at June 30, Unaudited	3,490,988	3.79

	Six-month period ended June 30, 2024	
	Number of options	Weighted average exercise price
Balance as at January 1, Audited	5,534,416	5.75
Granted during the period	585,000	6.92
Forfeited during the period	(267,262)	5.25
Exercised during the period	(296,767)	3.53
Expired during the period	(9,856)	2.99
Balance as at June 30, Unaudited	5,545,531	6.03

As at June 30, 2025, 1,092,450 share options were exercisable, with the weighted average exercise price of USD 4.97 per share. As at June 30, 2024, 738,048 share options were exercisable, with the weighted average exercise price of USD 4.30 per share.

During the six-month period ended June 30, 2025, 110,136 options were exercised under the share-based payment program, out of which 33,714 treasury shares were delivered to employees before June 30, 2025 (the difference is due to cashless exercises). Total cash payments received during the six-month period ending June 30, 2025 amounted to USD 56 thousand.

During the six-month period ended June 30, 2024, 296,767 options were exercised under the share-based payment program, out of which 256,591 treasury shares were delivered to employees before June 30, 2024 (the difference is due to cashless exercises and number of options exercised, for which treasury shares were not delivered as at June 30, 2024). For the remaining 40,176 options exercised during the six-month period ended June 30, 2024, 22,927 shares were pending delivery as of June 30, 2024. Total cash payments received during the six-month period ending June 30, 2024 amounted to USD 165 thousand.

Total expense related to share-based payment arrangements, which includes cost recognised for the period as well as the cost derecognition when the service condition is not met for the six-month period ended June 30, 2025, amounted to USD 554 thousand (USD 2,121 thousand for the six-month period ended June 30, 2024).

These costs were allocated to "Sales and marketing expenses", "Research and development expenses" and "General and administrative expenses" lines in the interim condensed consolidated statement of comprehensive income, depending on the roles of the employees.

Executive Chairman of the Board options

Mr. Anton Gauffin, holding the positions of the Executive Chairman of the Board, was granted 500,000 share options in total during the year 2021, out of which 75,000 had a vesting condition to provide the service continuously for about four years from the service commencement date and to meet 2021 EBITDA target. These options were forfeited in 2022 as the performance condition was not met. All remaining options can be exercised at a price of PLN 50, i.e., the price of the Company's shares in the initial public offering.

The vesting conditions for the 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., condition to meet the Company's market capitalization milestones. The Group's management estimated that a total of six years of continuous service from the service commencement date will be required for options to vest.

Similar 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.

Options granted to key management personnel

Based on resolutions of the Board of Directors of Huuuge, Inc. the following options were granted to key managers of Huuuge, Inc. Group:

- 3,145,000 options (including 2,345,000 options granted to Huuuge, Inc. Officers) - on October 3, 2023,
- 125,000 options - on November 6, 2023,
- 585,000 options - on February 6, 2024,
- 125,000 options - on September 30, 2024.

Modification of the options granted to key management personnel

On May 15, 2025, Huuuge, Inc. Board of Directors adopted a resolution on the voluntary modification of the terms of the options granted to the key management personnel of the Group under "ESOP 2019" stock option plan, granted during the period between October 2023 and September 2024.

As a result, for 2,559,446 options the exercise price and the number of the options has been decreased, and vesting market conditions have been substituted by the performance conditions to meet specified EBITDA and Revenue targets. The total expense related to the modification of these options for the six-month period ended June 30, 2025, amounted to USD 13 thousand.

As at June 30, 2025, after the modification, 1,229,131 of these options were outstanding. The vesting conditions for the outstanding options are the following:

- 423,112 options with a vesting condition to provide the service continuously for about four years from the service commencement date.
- 677,685 options with a vesting condition to provide the service continuously for about four years from the service commencement date and to meet specified EBITDA and Revenue targets, i.e. performance condition.
- 128,334 options with a vesting condition to provide the service continuously and with a variable vesting period due to market condition, i.e. condition to meet the Company's market capitalization milestones.

Options granted during the period

On May 15, 2025, Huuuge, Inc. the Board of Directors adopted a separate resolution, based on which 894,519 options were granted under employee stock option plan "ESOP 2019" to key employees of the Group (including 611,623 options for key management personnel of Huuuge, Inc. Group). The vesting conditions of these options include both service conditions, and performance conditions to meet specified EBITDA and Revenue targets.

Similar 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.

13. Leases

The Group is committed to making payments for leases based on office space rental agreements and car fleet agreements. The Group entities have also concluded contracts regarding low-value office equipment, such as copy and coffee machines.

Lease agreements are usually concluded for definite periods of time that vary according to the class of the underlying asset and specific needs. Some of the contracts include extension or termination options – the Group's management exercises judgment in determining whether these options are reasonably certain to be exercised.

The tables below present the carrying amounts of recognized right-of-use assets and the movements in the six-month period ended June 30, 2025 and in the six-month period ended June 30, 2024:

	Offices	Cars	Total
as at January 1, 2025, Audited	4,781	66	4,847
extension of contracts, remeasurement due to indexation and other	222	-	222
foreign exchange differences on translation	418	6	424
depreciation	(1,488)	(30)	(1,518)
as at June 30, 2025, Unaudited	3,933	42	3,975

	Offices	Cars	Total
as at January 1, 2024, Audited	6,775	75	6,850
extension of contracts, remeasurement due to indexation and other	525	17	542
foreign exchange differences on translation	(210)	(2)	(212)
depreciation	(1,343)	(32)	(1,375)
as at June 30, 2024, Unaudited	5,747	58	5,805

The table below presents the carrying amounts of lease liabilities and movements in the six-month period ended June 30, 2025 and in the six-month period ended June 30, 2024:

	Six-month period ended June 30, 2025	Six-month period ended June 30, 2024
as at January 1, Audited	7,551	10,640
additions (new leases)	-	-
extension of contracts, remeasurement due to indexation and other	267	644
interest expense on lease liabilities	92	118
lease payments	(2,322)	(2,201)
foreign exchange differences on translation to functional currency	(23)	(37)
foreign exchange differences on translation to USD	714	(292)
as at June 30, Unaudited	6,279	8,872
long-term	1,973	5,163
short-term	4,306	3,709

In the interim condensed consolidated statements of cash flows, the Group classifies:

- cash payments of the capital component of lease liabilities in the six-month period ended June 30, 2025 amounting to USD 2,230 thousand (USD 2,083 thousand in the six-month period ended June 30, 2024) – as part of financing activities (lease repayment),
- cash interest payments on leases in the six-month period ended June 30, 2025 amounting to USD 92 thousand (USD 118 thousand in the six-month period ended June 30, 2024) – as part of financing activities (interest paid),
- leases of low-value assets and short-term leases not included in the measurement of lease liabilities in the six-month period ended June 30, 2025 amounting to USD 120 thousand (USD 83 thousand in the six-month period ended June 30, 2024) – as part of operating activities.

The Group had total cash outflows due to leases of USD 2,442 thousand in the six-month period ended June 30, 2025 and USD 2,284 thousand in the six-month period ended June 30, 2024.

Sublease agreements

The Group entities have entered several arrangements to sublease leased office spaces to a third party while the original lease contract is in effect. The lease receivable from the finance lease amounted to USD 2,006 thousand as at June 30, 2025 (USD 2,876 thousand as at June 30, 2024). As of June 30, 2025, the Group held two short term agreements classified as operating leases. The income from interest received from finance sublease amounted to USD 60 thousand during the six-month period ended June 30, 2025 (USD 88 thousand in the six-month period ended June 30, 2024). The income from the operating lease amounting to USD 433 thousand is presented in the line "Other operating income/(expense), net" in the interim condensed consolidated statement of comprehensive income during the six-month period ended June 30, 2025.

The amount of future contractual payments under operating subleases was USD 102 thousand as of June 30, 2025.

14. Contingencies

Tax contingent liabilities

Tax settlements are subject to review and investigation by tax authorities, which are entitled to impose severe fines, penalties and interest charges. Tax regulations in the United States, Poland and Israel, which apart from Cyprus constitute the main operating environments of the Group, have been changing recently, which may lead to them lacking clarity and integrity. Furthermore, frequent contradictions in tax interpretations in Poland, both within government bodies and between companies and government bodies, create uncertainties and conflicts. These facts create tax risks that are substantially more significant than those typically found in countries with more developed tax systems.

Tax authorities may examine accounting records retrospectively: for 3 years in the United States (and up to 6 years in case of substantial errors), 5 years in Poland, 6 years in Cyprus (and up to 12 years in case of substantial errors) and 7 years in Israel. Consequently, the Parent Company and subsidiaries may be subject to additional tax liabilities, which may arise as a result of tax audits. The Board of Directors of the Parent Company believes that there was no need to record any provisions for known and quantifiable risks in this regard, as, in their assessment, there are no such uncertain tax positions for which it would be probable that the taxation authority will not accept the tax treatment applied by the Group.

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 at the date of approval of these interim condensed consolidated financial statements 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 these interim condensed consolidated financial statements for 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 approval of these interim condensed consolidated financial statements for issue, 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 approval of these interim condensed consolidated financial statements for issue.
- 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 approval of these interim condensed consolidated financial statements for 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 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 approval of these interim condensed consolidated financial statements for issue, 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 approval of these interim condensed consolidated financial statements for 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.

Except for the abovementioned proceedings, neither the Company nor any of its subsidiaries were, as at June 30, 2025, or as at the date of approval of these interim condensed consolidated financial statements for issue, a party to any significant court or arbitration proceedings or before any public authority.

15. Pledges, collaterals and other off-balance sheet positions

During the reporting period and till the date of issuing these interim condensed consolidated financial statements neither the Group nor individual subsidiaries entered in a pledge or collateral agreement on the Group's assets.

Huuuge Global Ltd and Huuuge Games Sp. z o.o. have entered into two agreements for the purpose of conducting forward and derivative transactions. In one agreement, entities involved are considered joint and several debtors for planned transactions while in the second agreement, one entity guarantees the obligation of the other. The maximum amount of the contingency obligation cannot exceed USD 27,444 thousand for both parties.

16. Related party transactions

On April 23, 2024, Anton Gauffin (through Big Bets OÜ) and Raine Group (through RPII HGE LLC), sold 3,302,675 shares in total under the Share Buy-back amounting to USD 32,380 thousand.

There is no ultimate controlling party.

17. Transactions with management of the Parent Company and their close family members

Compensation of key management personnel of the Group is the compensation of key management personnel of the Parent Company and its subsidiaries.

Board of Directors of Huuuge, Inc., Officers and Global Management	Six-month period ended June 30, 2025 Unaudited	Six-month period ended June 30, 2024 Unaudited
Base salaries	2,381	2,218
Bonuses	217	-
Share-based payments	827	1,628
Total	3,425	3,846

The amounts presented above include compensation of members of the Board of Directors of Huuuge, Inc., Officers and Global Management team members. The amounts for the six-month period ended June 30, 2025 and June 30, 2024 reflect the changes in composition of the teams during those periods.

Generally, share-based payment remuneration includes cost recognized during the period in accordance with the vesting schedule, as well as cost derecognition when a member of the executive management team ends the tenure with the Company, i.e., when the service condition is not met. During the six-month period ended June 30, 2025, the cost recognized amounted to USD 1,097 thousand and cost derecognized amounted to USD 270 thousand (USD 1,743 thousand of cost recognized and cost derecognized amounted to USD 115 thousand during the six-month period ended June 30, 2024).

During the six-month period ended June 30, 2025 members of the Board of Directors, Officers and Global Management team didn't exercise any options (62,859 options during the six-month period ended June 30, 2024).

On April 23, 2024, members of the Executive Management team and their close family members sold 117,829 shares in total under Share Buy-back amounting to USD 1,155 thousand.

Generally, the non-executive directors are remunerated with a fixed annual salary and an additional salary for holding a position of president of the Audit Committee or the Remuneration and Nomination Committee or being a member of the Audit Committee or the Remuneration and Nomination.

18. Unusual events

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 these interim condensed consolidated financial statements, the war in Israel has no significant impact on our business and financial results.

19. Subsequent events

After June 30, 2025 and up to the date of approval of these interim condensed consolidated financial statements for issue no significant events except the following have occurred:

Options granted to key personnel

Based on resolutions of the Board of Directors of HUUUGE Inc. 13,204 options were granted under the employee stock option plan to key personnel of the HUUUGE, Inc. Group on July 8, 2025, and August 21, 2025. The vesting conditions of these options include both service conditions and performance conditions to meet specified EBITDA and Revenue targets.



Electronically signed
Wojciech Wronowski,
Officer of HUUUGE, Inc., CEO
September 17, 2025

HUUUGE



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