ANNUAL REPORT

Warsaw, March 14th, 2024

Disclaimer

This constitutes the Annual report for the twelve-month period ended December 31, 2023 (the "Annual Report") prepared in accordance with the Regulation of the Minister of Finance of March 29, 2018 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. This Annual Report should be read along with the consolidated and separate financial statements as at and for the year ended December 31, 2023 prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Since the separate data for Huuuge, Inc. and the consolidated data for the Huuuge Group are 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 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 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 Annual Report may not conform exactly to the total figure given for that column or row.

Industry and Market Data

This 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 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 Annual Report, the source of such information has been identified. 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, surveys and forecasts 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.

Further, in many cases, statements in this 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 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 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 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, and 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 Annual Report does not mean that the Issuer will continue to report these KPIs in the future.

Forward-looking statements

The 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 the 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 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.

Table of contents

CEO Letter

Dear Shareholders, Team Huuuge,

I am pleased to present Huuuge's Annual Financial Report for 2023. Despite facing a continuously turbulent market, we have managed to achieve record-high profits, a significant headcount and cost reduction, and we have been able to stabilize or grow underlying operating KPIs. Our adjusted EBITDA achieved a record high USD 108 million, while our net operating cash flow amounted to USD 82 million. This demonstrates not only our resilience but also our ability to thrive amidst challenges.

Furthermore, we have executed a substantial Share Buyback Program valued at $150 million, underscoring our commitment to delivering value back to our shareholders.

In 2023 we prioritized profitability over the pursuit of revenue growth. This calculated strategy influenced our core franchises, Huuuge Casino and Billionaire Casino, which realized $272.2 million in revenue—a strategic adjustment resulting in a 6% decline from the previous year.

Our core games demonstrated stability, with operating KPIs leveling and core Daily Active Users (DAU) experiencing growth for three consecutive quarters. Notably, key monetization metrics: Average Revenue Per Daily Active User (ARPDAU) and Average Revenue Per Paying User (ARPPU) saw increases for both Huuuge Casino and Billionaire Casino, appropriately of 8% and 13% YoY. These improvements position our core franchises as leaders in the social casino market in terms of monetization performance. Furthermore, our Direct-To-Consumer channel has demonstrated success, with revenues reaching a peak of $16.6 million, nearly tripling 2022 figures.

As we look ahead to 2024, we are setting plans in motion to increase the marketing investment for our core franchises. This increase in marketing expenditure is not only an evidence to our continuous commitment to our flagship games but also reflects our improved marketing capabilities.

2024 marks a year of innovation for our core products. Innovation has always been the cornerstone of success for our games, setting us apart in the competitive market. Huuuge has made a name for itself in the social casino world by bringing new ideas and adding a social layer that builds on the solid foundation of proven core gameplay. In 2023, we invested considerable effort to realign our studio with its innovative roots. As a result, we aim to introduce features to the social casino space that embody innovation and social interaction — the very essence of what Huuuge has always been about.

We'll continue investing in 'Huuuge Pods' as a key part of our growth strategy. Building new games is hard and time-consuming, but we're committed to this path. We plan to test new games in the coming years and will increase marketing for those showing promise. We are truly excited about the new games we're currently developing.

Our approach towards shareholders, players, and employees has remained unchanged. As always, we greatly value your feedback and support. We continue to work towards serving more players globally and we hope you'll enjoy playing together with Huuuge.

Best regards,

Wojciech Wronowski, CEO – Huuuge, Inc.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents selected financial data of the Group.

	USD	USD	EUR	EUR	PLN	PLN
in thousand USD	**12m`2023**	**12m`2022**	**12m`2023**	**12m`2022**	**12m`2023**	**12m`2022**
Revenue	283,444	318,622	262,118	302,284	1,190,118	1,415,200
Operating profit (loss)	94,073	38,608	86,995	36,628	394,991	171,482
Pre-tax profit (loss)	98,765	39,054	91,334	37,051	414,692	173,463
Net profit (loss)	82,178	32,008	75,995	30,367	345,047	142,168
Net cash flows from operating activities	82,420	70,957	76,219	67,319	346,063	315,164
Net cash flows from investing activities	4,123	(32,555)	3,813	(30,886)	17,312	(144,597)
Net cash flows from financing activities	(155,021)	(21,847)	(143,357)	(20,727)	(650,898)	(97,036)
Total net cash flows	(68,478)	16,555	(63,326)	15,706	(287,524)	73,531
Cash and cash equivalents at the end of period	152,110	222,245	137,662	208,583	598,553	978,191
Number of shares at the end of period	67,124,778	84,246,697	67,124,778	84,246,697	67,124,778	84,246,697
Weighted average number of shares	71,252,841	80,389,472	71,252,841	80,389,472	71,252,841	80,389,472
Earnings per share basic (EPS)	1.15	0.40	1.06	0.38	4.83	1.78

The following table sets out the exchange rates of our main currencies against the USD as at the end of 2022 and 2023 and the annual average exchange rates for those years.

	EUR	PLN	EUR	PLN
	12m`2023	**12m`2023**	**12m`2022**	**12m`2022**
Annual average exchange rate	1.0814	0.2382	1.0540	0.2251
Exchange rate at the end of the reported period	1.1050	0.2541	1.0655	0.2272

SELECTED SEPARATE FINANCIAL DATA

The following table presents selected financial data of the Company.

in thousand USD	USD 12m`2023	USD 12m`2022	EUR 12m`2023	EUR 12m`2022	PLN 12m`2023	PLN 12m`2022
Revenue	1,577	2,922	1,458	2,772	6,621	12,978
Operating profit (loss)	152,940	-7,493	141,433	(7,109)	642,161	(33,281)
Pre-tax profit (loss)	155,809	(6,883)	144,086	(6,530)	654,207	(30,572)
Net profit (loss)	154,251	(7,712)	142,645	(7,317)	647,665	(34,254)
Net cash flows from operating activities	142,092	(3,522)	131,401	(3,341)	596,612	(15,643)
Net cash flows from investing activities	2,915	569	2,696	540	12,239	2,527
Net cash flows from financing activities	(150,575)	(17,628)	(139,246)	(16,724)	(632,231)	(78,297)
Total net cash flows	(5,568)	(20,581)	(5,149)	(19,526)	(23,379)	(91,413)
Cash and cash equivalents at the end of period	80,532	86,210	72,883	80,910	316,893	379,445
Number of shares at the end of period	67,124,778	84,246,697	67,124,778	84,246,697	67,124,778	84,246,697
Weighted average number of shares	71,252,841	80,389,472	71,252,841	80,389,472	71,252,841	80,389,472

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Exchange rate at the end of the reported period	1.1050	0.2541	1.0655	0.2272

BUSINESS

Management Report on the Group's and the Company's Activities
for the 12-month period ended December 31, 2023

2023 IN BRIEF

USD
283 million
Revenue

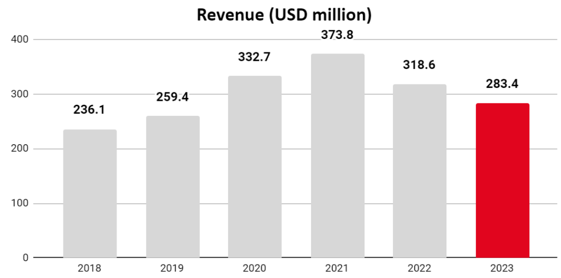
USD
108.2 million
Adjusted EBITDA

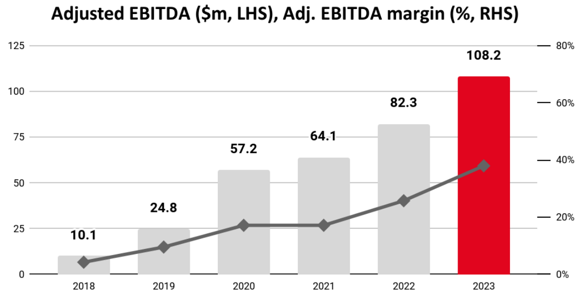
9.8%
monthly conversion
for core franchises

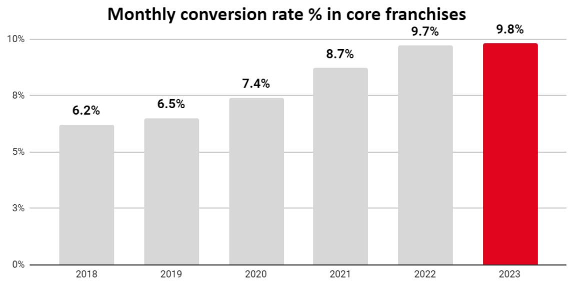
USD
49.06 ARPPU
in core franchises

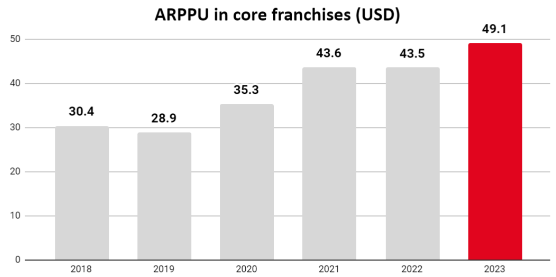
USD
152 million
Cash at the end of period

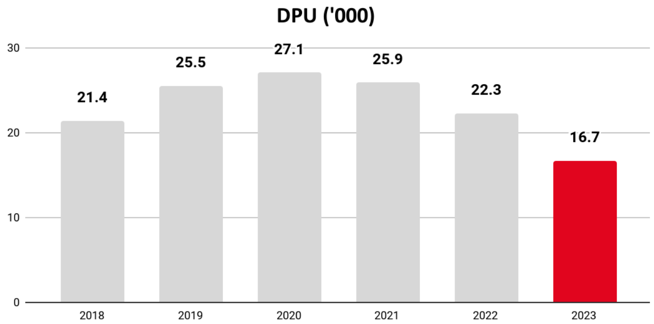
RESULTS 2018–2023











About us

Business profile

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

MISSION

Empower billions of people to play together

VISION

Transform mobile gaming into a massively social experience

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.

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 alongside 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 generate 96% of Huuuge's total revenues. Our new franchises generate 4% of total revenues and include different titles at various stages of their life cycle.

HUUUGE CASINO

Huuuge Casino: The game was launched in June 2015. It is Huuuge's flagship title responsible for 64% of total 2023 revenue and for USD ~1.3 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 #21 (Apple App Store) and #10 (Google Play) among social casino apps in the United States by revenue as of December 31, 2023.

Billionaire Casino: The game was launched in October 2016. Revenue has grown rapidly since its release. It has achieved over USD 0.6 billion of lifetime revenue and constitutes 32% of our total 2023 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, 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. Also, the game allows players to participate in club events by playing slots and other casino games. Billionaire Casino is ranked #31 (App Store) and #20 (Google Play) among social casino apps in the United States by revenue as of December 31, 2023.

New titles

In Q1 2023, we created four small internal teams, called "Pods", responsible for agile prototyping and development of new games. Their exploration is focused on new games with attributes that play to our strengths and reflect market conditions, namely:

- Multiplayer games with natural word-of-mouth distribution
- Games with highly shareable moments
- Socially-oriented long-term retention drivers
- Games with high accessibility and universal appeal
- Language and platform agnostic.

While development works are still at an early stage, we have tech launched two titles recently, and we might move them into soft launch in the coming months provided the test results show commercial promise.

Group structure

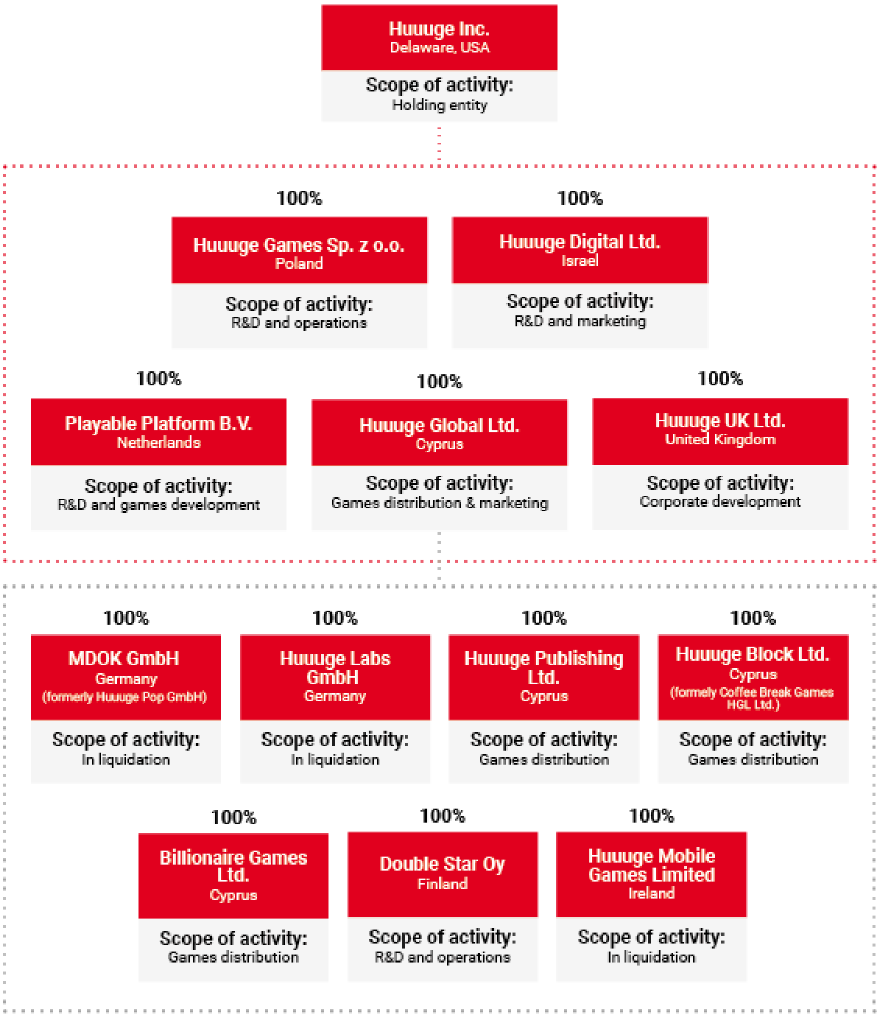
As of December 31, 2023, the Huuuge Group ("Group") comprised the Company (the parent entity), five direct subsidiary companies wholly owned and controlled by the Company and seven indirect subsidiaries wholly controlled by the Company through Huuuge Global Ltd. with its registered seat in Cyprus. All companies are consolidated using the full method.

MDOK GmbH and Huuuge Labs GmbH, the Group's two remaining German subsidiaries, remain in voluntary liquidation commenced in 2022 as of date of this Annual Report and approval of this Annual Report for publication.

Huuuge Mobile Games Limited remains in voluntary liquidation commenced in 2022 as of date of this Annual Report and approval of this Annual Report for publication. Coffee Break Games United Limited, which commenced voluntary liquidation in 2022, was finally dissolved effective January 24, 2024.

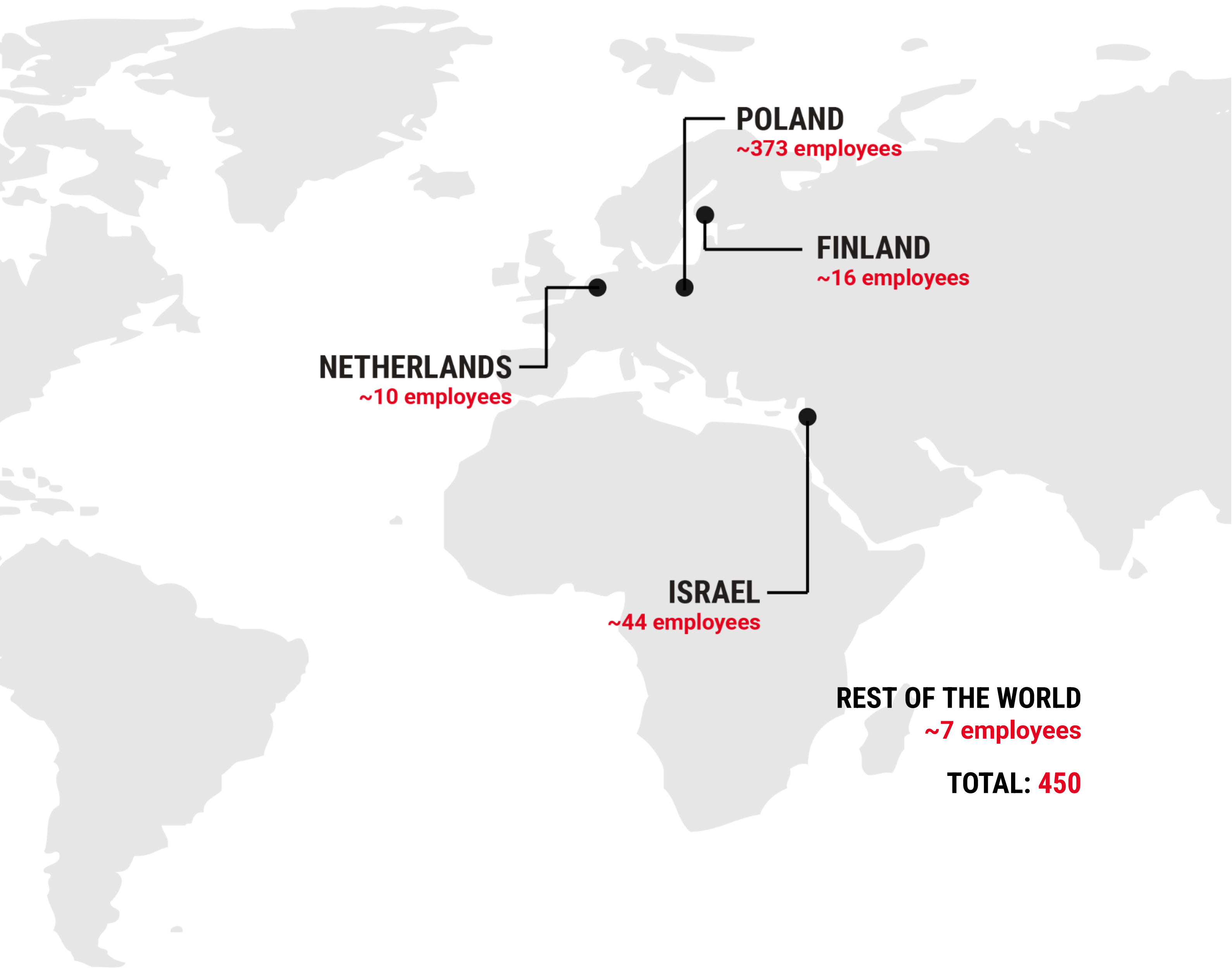
Please find below the current corporate structure of the Group, indicating the chain of ownership and the percentage shares in the share capital of each of the entities respectively.

Corporate structure of the Group



Offices & Locations

We are a global organization with a global team located in 7 offices across the globe and powered by a team of 450 people and a culture of innovation and teamwork. Our team consists of employees from over 15 nationalities.



Gaming market

According to Newzoo, in 2023, the gaming industry proved its resilience and continued to grow, reaching a market value of $184.0 billion with a slight increase of 0.6% from the previous year. The industry's success is driven by a growing number of gamers, now over 3.3 billion globally, with a particular focus on mobile and PC gaming as the main sources of revenue. Looking ahead, the industry is expected to keep on growing, with Newzoo projections suggesting it will reach $205.7 billion by 2026. This anticipated growth speaks to the industry's ability to adapt and innovate, especially in game development and monetization strategies.

$184.0bn Size of the Global Games Market	**49%** Mobile Share of Total Market
0.6% 2023 YoY Total Market Growth	**(1.6%)** 2023 YoY Mobile Market Decline
6.3% Total Player Growth vs 2022	**87.9bn** 2023 Mobile Games Downloads
1.3% '21-'26 Total Market CAGR%	**(0.4)%** '23 - '27 Social Casino Market CAGR%

As reported by Data.ai, in 2023, the mobile gaming market experienced a 2% decrease in consumer spending, amounting to $107.3 billion, with downloads also seeing a decline to around 88 billion. Several reasons stand for this decrease. In 2023 our industry was affected by a combination of economic pressures, changing consumer habits, and market saturation. Economic factors like higher interest rates and recession fears led to reduced spending by consumers and advertisers. The end of the pandemic-era boom, which had temporarily inflated the market, also contributed to a correction phase. Additionally, the crowded market space and increased competition made it harder for games to stand out, affecting overall revenue. Additionally, in the last two years, the industry has been navigating through regulatory changes, particularly Apple's adjustments to its IDFA protocol, which significantly impacted targeted advertising strategies.

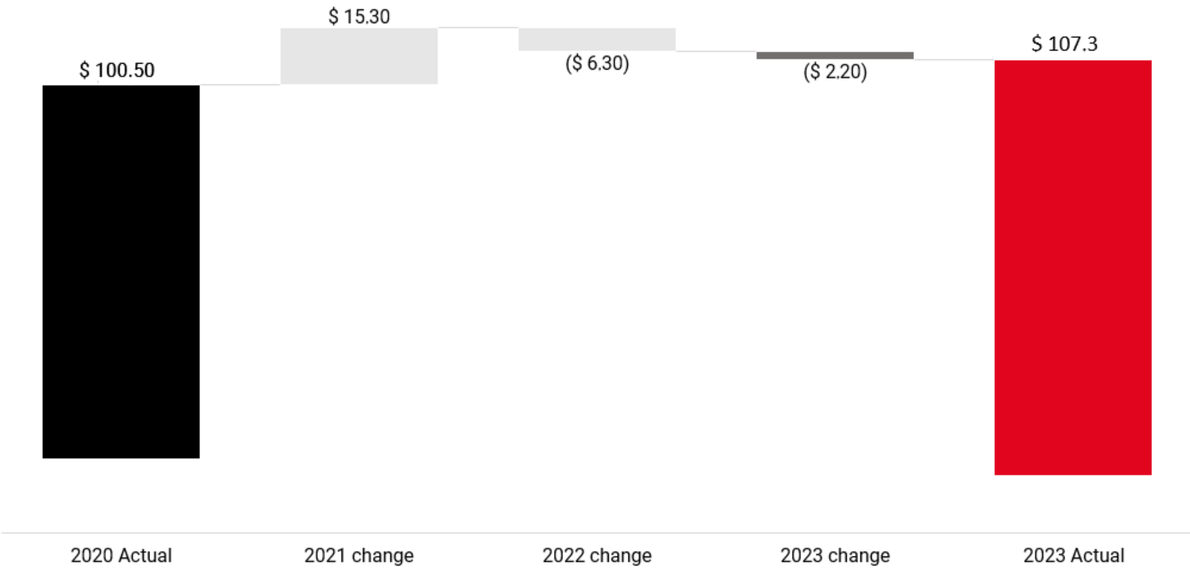
The social casino market, as reported by Eilers & Krejcik (E&K), experienced a slight downturn of 1.6% to $7.34 billion in 2023, with a decline in daily active users (DAUs) being partially offset by an increase in conversion rates. The forecast now anticipates a -0.4% compound annual growth rate (CAGR) from 2023 to 2027, indicating a minor downward adjustment from previous projections.

Despite the recent trajectory, the overall games market remains robust. Newzoo expects the market to grow at a 1.3% CAGR through to 2026. Within mobile we remain optimistic on the outlook on the back of strong fundamentals. The Covid effect has largely dissipated. We are bullish that the long-term factors supporting the growth of the industry remain true: (1) population growth and mainstream prevalence of gaming amongst all demographics and geographies; (2) innovation in gameplay, technology & monetization; (3) continued adoption of mobile devices in emerging markets along with growth in GDP per capita (and therefore propensity to spend).

Although IDFA deprecation remains a challenge, the industry at large, and we at Huuuge, are actively working on finding better ways to do UA and thereby find new players and payers for our games. This includes optimizing UA further via campaign automation and Real-Time Bidding “RTB” tools, as well optimization of our marketing mix. We are also finding ways to better recognize our core demographic through their actions in-game (via the work we are doing on payer and churn predictions). Whilst the environment remains uncertain, we have cut back UA spend. However, as the market environment improves, and Huuuge (along with the industry) finds better ways to connect advertising dollars with the right eyeballs, we anticipate that we will be well positioned for growth and expect UA spend to gradually increase going forward.

We are conscious that growth often also comes in the form of new innovative gameplay, which cannot be forecasted. In this context we are also refocusing our efforts on building fun new games and experiences. This requires experience in not only building great core loops, but also embedding a meta layer, designing complex game economies and managing live operations. We have a vision of the kinds of dynamic multiplayer experiences we would like to build and a skill-set in many of the areas highlighted.

Global Spend on Mobile Games ($bn)



Sources: Newzoo, data.ai, Eilers & Krejcik

Strategy

Our vision is to transform mobile gaming into a massively social experience. Our mission is to empower billions of people to play together.

We plan to achieve our vision and mission by focusing on the following objectives:

Focusing on our large captive user base within our Core Franchises
In 2022, due to macro environment and legal changes, our approach to the mobile gaming market has evolved strategically. We've focused on monetizing and retaining our existing player base. This shift included the implementation of a profit-oriented strategy, where we intentionally reduced marketing and user acquisition (UA) spending. This decision led to a significant decrease in daily active users (DAU). At the same time we observed a considerable increase in average revenue per daily active user (ARPDAU) and average revenue per paying user (ARPPU). In 2023 we've continued this strategy and a reasonable approach to marketing spend.

We have a proven track record and deep expertise in engaging and monetizing our users effectively. Despite the reduction in user acquisition efforts, we've managed to enhance the rate at which players convert to payers. Our commitment is to further concentrate on monetizing and retaining these players. Our strategy is underpinned by our core strengths: developing new content, delivering an exceptional multiplayer social experience, and leveraging our capabilities in game economy management and live operations. These elements are crucial as we adapt to the changing dynamics of the gaming industry and strive for sustainable growth.

In 2024 we plan a substantial increase in our marketing expenditure for core franchises: Huuuge Casino and Billionaire Casino. This strategy underscores our dedication to our flagship games and our evolving marketing capabilities.

Organizing our new build activities into Pods
In Q1 2023, we created four small internal teams, called "Pods", responsible for agile prototyping and development of new games. Their exploration is focused on new games with attributes that play to our strengths and reflect market conditions, namely:

- Multiplayer games with natural word-of-mouth distribution
- Games with highly shareable moments
- Socially-oriented long-term retention drivers
- Games with high accessibility and universal appeal
- Language and platform agnostic.

While development works are still at an early stage, we have tech launched two titles recently, and we might move them into soft launch in the coming months provided the test results show commercial promise.

Expanding our activities in the casual games subgenre
Due to the above two points, we intend to introduce new games in the casual gaming subgenre across various categories by leveraging our strengths in social feature development, player monetization, and player retention via live-operation offerings within our games. In this way, we hope to offer our best-in-class social experiences to an ever-broadening user base within the casual games subgenre.

Optimization of marketing activities in conjunction with our Technology team
The user acquisition market environment has evolved significantly over the past 24 months. Install attribution has become much more challenging, and, as a result, a data-science-led approach to understanding marketing performance is necessary. We intend to evolve how we measure, with a greater focus on macro-level performance. Simultaneously, we are also widening the scope of our marketing efforts to incorporate new activities such as branding and influencer marketing.

Leverage our technology and data services to continue margin expansion
Our business is built on a data-centric approach, focused on our Huuuge Data Services system, which we will continue to refine and expand as we grow. We plan to continue to expand our profitability margins with a focus on data-driven decision-making and technology. We believe that our organizational architecture; namely our centralized service structures, data-centricity, and operating locations, which enable us to employ first-class human and technology resources at lower costs than our competitors, will allow us to achieve exceptional profitability levels.

In 2023, Huuuge integrated Generative AI to achieve faster outputs, cost savings, and heightened creativity, enabling the generation of vast amounts of gaming content at a fraction of traditional costs. The application of AI spans various use cases, including communication, data management, creative design, research, and technical support. This strategic incorporation of AI not only streamlines operations but also fosters a data-driven culture and enhances product development, marking generative AI as a core component of Huuuge's DNA for future growth.

Accessing best-in-class talent from around the world
Across our history, we have focused considerable time and resources on building a team with diverse experience and backgrounds and a positive, stimulating business culture. We are present in the most important gaming hubs in the world and we employ people from all over the world, which allows us to create the inclusive and diversified environment that is required to successfully operate in our industry. We benefit from our presence in Central and Eastern Europe, a region with a deep talent pool. We have cultivated an ecosystem within the industry that allows us to identify leading talent globally.

Research and development

We believe our ability to attract new players and retain existing players depends in part on our ability to evolve and expand our content library by continually developing differentiated games, systems technology and functionality to enhance the quality of player entertainment.

Our research and development expenditures amounted to USD 22,008 thousand in 2023 compared to USD 29,577 thousand in 2022. The decrease in expenses was driven mainly by a decrease in the cost of salaries and employee stock options of the R&D team (decreases of USD 4,174 thousand and USD 965 thousand, respectively), which reflects the decrease in headcount of the team. Additionally, other research and development costs decreased by USD 1,900 thousand, largely due to the scale of external R&D support being greater in 2022.

Below are several key strategic initiatives in this area:

Web-based store for in-game purchases

Our continuously growing direct-to-consumer (D2C) web store has been upgraded significantly to be more mobile friendly, allow for more payment methods across the globe, and enable further A/B testing capabilities. Rolling out the D2C store to a larger audience as well as continuously optimizing the player experience remains an ongoing priority.

In-game personalization

In the previous years, we've rolled out personalization of the game economies for players, adapting features and in-game currencies to individual players as opposed to only segments of players. We've further invested in personalization by improving our AI models and broadening the scope of personalized in-game features. We will continue to invest in personalization to improve players' experiences and to allow for broader targeting in user acquisition campaigns.

Generative AI

The company has rolled out various generative AI initiatives across the company, focusing on improving efficiency of development, art work, as well as supporting unit functions. AI has been at the core of our core products for many years already, such as machine learning and neural networks, and will continue to be an integral part of our tech stack and operations. We're taking a common sense approach to generative AI, focusing on specific use cases that provide additional business value, while not overinvesting in areas that don't significantly improve it.

Security and stability

We have continued our investments in security and stability of our applications by sunsetting more legacy software, implementing more security monitoring software, and simplifying our technology stack in general. This will remain an ongoing priority given the importance of security and stability to our business.

FINANCIALS & KPIs

HUUUGE

Significant achievements or failures and unusual events significantly affecting the financial statements

Group reorganization and focus on efficiency

We made significant changes in our operating setup throughout the 2023, namely:

- We sunset the Traffic Puzzle studio and put the game in maintenance mode. Part of the TP team stayed with the company and formed one of our new Pods (teams focused on prototyping and building new games);

- We reorganized and downsized our Marketing department to match our lower spend on performance marketing and our shift in focus. We are exploring other channels such as influencer marketing and brand marketing and are planning to increase spend on those activities;

- We concluded the collective redundancies at Huuuge Games sp. z o.o. and reduced our headcount across our other subsidiaries as well.

As a result of the above initiatives, our headcount at the Group level at the end of 2023 was ~23% lower than the level at the end of 2022. H1 2023 costs related to the headcount reductions amounted to USD 1,640 thousand and there were no additional costs recognized in H2 2023. We have also streamlined and flattened our organizational structure, having merged our Technology and Content teams into the Huuuge Casino Studio.

We are actively looking at reducing complexity and improving processes across the whole organization, both in our core revenue-generating activities and in supporting functions.

Completion of a Share Buyback

On July 4, 2023 (as announced in our Current Report 25/2023) we settled the Share Buyback (SBB). As a result of the settlement of the acquisition and transfer of ownership of the shares offered in response to 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") announced by the Company on 30 May 2023 in the current report nº. 19/2023 (as subsequently amended and announced by the Company in current report nº 23/2023 on 19 June 2023), the Company acquired 17,121,919 of its common shares that represent 20.32% of the share capital of the Company and that entitled their holders to exercise 21.42% of the total number of votes at the general meeting of the Company for a total consideration of USD 149,999,996. The settlement of the SBB took place outside the organized system of trading in financial instruments through IPOPEMA Securities S.A. The acquisition was made at a gross price of USD 8.7607. 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 3 July 2023 (as the day preceding the Settlement Date), which is 4.0735. On August 29, 2023, in accordance with Section 243 of the Delaware General Corporation law, the Board of Directors adopted a resolution on the retirement of 17,121,919 shares of common stock (as announced in our Current Report 37/2023). The retirement is effective as of the adoption of the resolution by the Board of Directors.

Retirement of shares purchased by the Issuer during the share buyback

On August 29, 2023, in accordance with Section 243 of the Delaware General Corporation law, the Board of Directors adopted a resolution on the retirement of 17,121,919 shares of common stock of the Issuer representing 20.3% of the issued share capital of the Company comprising of 84,246,697 shares. The shares that were subject to the retirement were purchased by the Company during the share buyback with the intention for the shares to be retired, with the exception to the shares necessary, in the Company's view, to satisfy its ongoing needs under the Company'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 84,246,697 to 67,124,778 shares. Further, following a review, the Board of Directors concluded that such a high authorized capital is not necessary and therefore the Board of Directors decided that it will recommend that at the next Annual General Meeting the shareholders approve an amendment to the Huuuge, Inc. Certificate of Incorporation to decrease the authorized capital of the Issuer by 21,128,984 shares of common stock of the Issuer, as a result reducing the total number of the authorized shares from

113,881,420 to 92,752,436 where 67,124,778 will be the issued shares and 25,627,658 authorized and unissued shares. The authorized and unissued shares in the amount of 25,627,658 will be used, among others, for the Issuer's employee stock option plans. The proposal of the Board of Directors has not received a required majority of votes at Annual General Meeting of the Company held on October 27, 2023, and the authorized share capital remained at 113,881,420.

Factors affecting our results

Core franchises continue to improve profitability

Starting from Q2 2023, we have witnessed slight QoQ growth in our Core franchises' user base. Sales profit and sales profit margin for the full year 2023 in our core portfolio slightly increased YoY. Continued cash generation and longevity of core franchises is our operational priority. We also continue to expand our direct-to-consumer offering (Webshop), which allows us to further improve our margins.

Creating of Pods and new approach to new game development

In Q1 2023 we created four small internal teams, called "Pods", responsible for agile prototyping and development of new games. Their exploration is focused on new games with attributes that play to our strengths and reflect market conditions, namely: (1) Multiplayer games with natural word-of-mouth distribution; (2) Games with highly shareable moments; (3) Socially-oriented long-term retention drivers; (4) Games with high accessibility and universal appeal; (5) Language and platform agnostic. While development works are still at an early stage, we have tech launched two titles recently, and we might move them into soft launch in the coming months provided the test results show commercial promise.

Mobile gaming and social casino market environment

As far as market dynamics are concerned, Eilers & Krejcik estimate that the social casino market declined by 2.9% YoY in Q4 2023 (and declined by 1.1% QoQ). The long-term forecast has been revised downwards in Q4 2023. The social casino market is expected to decline at a 0.4% CAGR in 2023-27E (with a USD 7.2 billion market by 2027). Eilers & Krejcik forecast the category to decline by 0.9% YoY in 2024 (following a downward revision of the forecast in Q4 2023).

User Acquisition expenses and post-IDFA mobile advertising market update

User acquisition expenses were adapted to support the new, post-IDFA reality, such that budgets have been shifted to partners with better post-change performance, and overall spend has been reduced, with a focus instead on monetizing and retaining our large captive audience. Additionally, we have focused on driving greater profitability through other initiatives, such as rolling out an expanded VIP program and moving to new payment channels (Webshop). From a marketing perspective, we have increasingly focused on how we do things, making measurement and a single source of truth central to our goals. Leveraging technology to drive adoption of new measurement methods such as incrementality has become crucial to operating a successful marketing organization. We have significantly decreased overall UA spend YoY, both for our Core franchises and for Traffic Puzzle, where the marketing spend is still largely immaterial and focused mostly on retargeting inactive players.

In 2024 we plan a substantial increase in our marketing expenditure for core franchises: Huuuge Casino and Billionaire Casino. This strategy underscores our dedication to our flagship games and our evolving marketing capabilities.

Expected introduction of Google's Privacy Sandbox

Google's Privacy Sandbox is a strategic move to enhance user privacy, to be launched probably in the middle of 2024, the date not confirmed yet. Google intends 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. The phase-out is anticipated to not occur before next year (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 both 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, will likely continue to be available. 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. The contribution budget influences data accuracy in the Sandbox, with higher budgets yielding more precise results. 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 set to be among the initial testers of the Privacy Sandbox on Android through participation in the Google Ads Early Access Program & AppsFlyer Sandbox beta version testing.

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

The debate on international taxation has started with focus on the concepts of digital taxation and minimum taxation. The course of the debate also impacted the plan with respect to the shape of the income tax reform in the United States. At the moment there are many proposals with respect to tax law in US including the Administration's plans, however, none of the legislation that is currently pending refer to revision of GILTI mechanism or higher corporate tax rates i.e. changes that may affect the global effective tax rate of the Group and may have a negative impact on our financial results.

Impact of the situation in Israel on our business

Huuuge's office in Tel Aviv, Israel accounts for around 10% 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 are obliged to perform military reserve duty and, in certain emergency circumstances, such employees 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, only one employee has 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. The Company is actively monitoring the situation and has established an internal task force developing and implementing business continuity measures. Contingency plans are in place to prevent disruptions to business, including Israeli teams working from home and one employee temporarily moved outside of the country. 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. 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 3 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.

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

The European Union's Digital Markets Act (DMA), passed in July 2022, marks a crucial step towards promoting fair competition and curtailing the dominance of big tech companies. This law targets digital "gatekeepers," aiming to enhance interoperability, encourage data sharing, and prevent self-preferencing to create a more competitive and open digital market. It's designed to benefit consumers and small businesses by increasing choice and innovation.

In response to the European Union's Digital Markets Act (DMA), Apple has announced significant adjustments to its terms and conditions for EU developers, scheduled to coincide with the launch of iOS 17.4 in March. EU Developers are presented with the option to adhere to Apple's current business terms or transition to the new terms, a decision that appears to be permanent. The new terms include an adjusted pricing model that appears to reduce Apple's commission rates on most in-app purchases by EU players. The standard commission rate will be lowered from 30% to 17%. However a new 3% "Payment Processing Fee" will be added, as well as a Euro 0.5 "Core Technology Fee" for each annual install of an app above 1 million installs. Other notable changes in the new terms include allowing EU developers to "link out" to payment options other than Apple's own in-app payment process, and allowing alternative app stores other than Apple's own App Store on iphones for EU users.

Huuuge is tracking Apple's recent updates, including those to App Store policies, new hardware features, and privacy protections. To date, these changes have not significantly affected Huuuge's business operations or strategy.

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.

Key performance indicators

When evaluating our business, we consider the key performance indicators (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 table below presents our KPIs for 2023 and 2022 for the Group and core franchises, i.e. Huuuge Casino and Billionaire Casino.

	All games		**Core franchises Huuuge Casino and Billionaire Casino**	
KPI	**2023**	**2022**	**2023**	**2022**
DAU (in thousand)	429.7	610.5	334.1	380.8
DPU (in thousand)	16.7	22.3	15.2	18.1
ARPDAU (in USD)	1.8	1.4	2.2	2.1
ARPPU (in USD)	46.0	38.0	49.1	43.5
Monthly Conversion (%)	8.0%	6.3%	9.8%	9.7%

The table below presents our KPIs for Q4 2023 and Q4 2022 for the Group and core franchises, i.e. Huuuge Casino and Billionaire Casino.

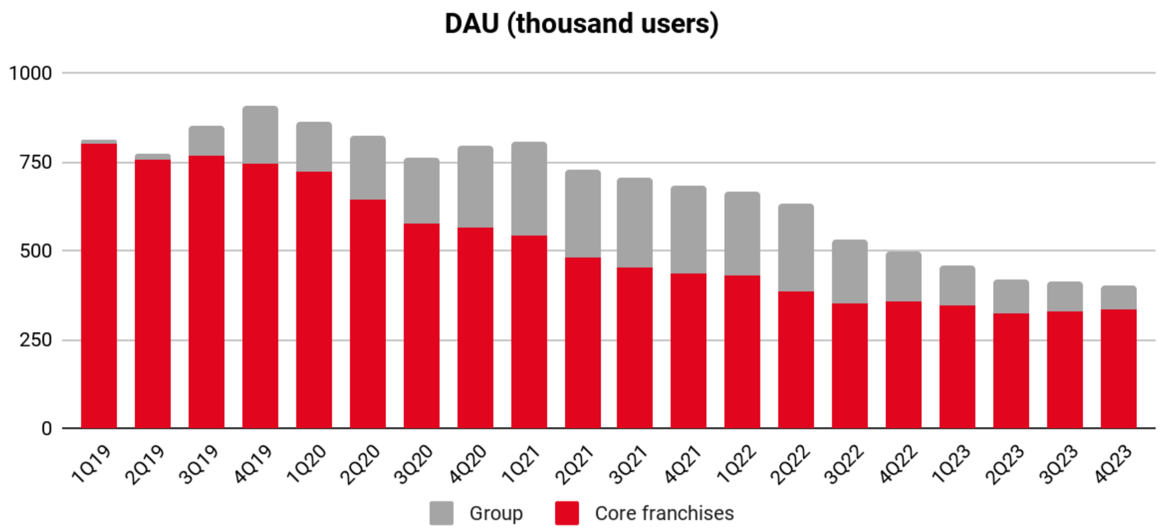
KPI	All games		Core franchises Huuuge Casino and Billionaire Casino	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022
DAU (in thousand)	408.1	510.7	334.7	356.8
DPU (in thousand)	16.1	19.9	15.0	17.4
ARPDAU (in USD)	1.9	1.7	2.2	2.2
ARPPU (in USD)	47.7	41.7	50.2	45.9
Monthly Conversion (%)	7.7%	7.9%	8.9%	10.9%

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

Daily Active Users

The chart shows Daily Active Users (DAU) for our flagship and new games, highlighting a long-term decline in DAU for main titles, in line with the social casino genre's downturn over five years. However, DAU stabilized or grew for these games from Q2 2023, while new titles saw a significant DAU drop from Q1 2023. Q4 2023 saw a 2% QoQ and 20% YoY DAU decrease, mainly from new franchises, with Traffic Puzzle experiencing a notable decline due to reduced marketing. Overall, 2023 saw a 30% YoY DAU decrease, with new titles down 55% YoY and core games down 12% YoY, largely due to fewer installations from scaled-back marketing"

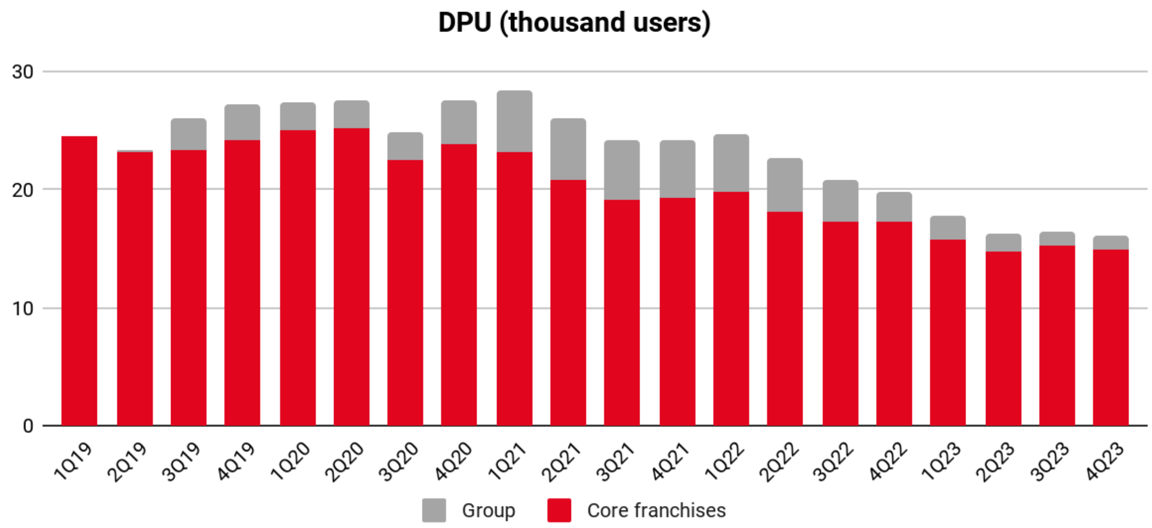
The chart below presents DAU for our core and new franchises for the periods indicated:



Daily Paying Users

In 2023 the overall number of daily paying users was 25% lower compared to 2022, mainly due to significant decrease in DPU for new franchises. The 62% decline in DPU for new franchises was driven by a gradual decline of the Traffic Puzzle payer base (driven by falling marketing spend). In Q4 2023 the number of daily paying players was 2.5% lower compared to the previous quarter. There was a slight decrease in DPU QoQ in core franchises in Q4 2023 (with signs of stabilization over the past three quarters), broadly in line with the DAU trend for the period.

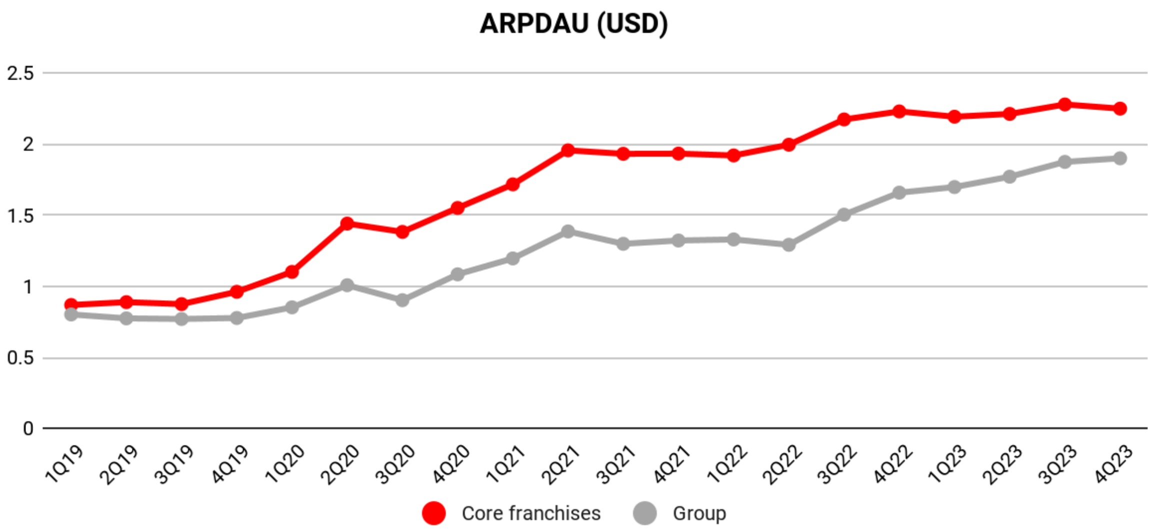
The chart below presents DPU for our core and new franchises for the periods indicated:



Average Revenue per Daily Active User

ARPDAU indicates how well we monetize our games taking into account our whole player base. Thanks to our competences in live operations, as well as our analytical forecasting tools, we have seen sustained growth in the monetization of our core games, i.e. Huuuge Casino and Billionaire Casino. These two games continued to exhibit ARPDAU rates significantly exceeding the category averages and we saw this KPI improving further to USD 2.2 in 2023 (+8% YoY). ARPDAU for our new franchises has decreased in 2023 by 16% YoY up to USD 0.33. In the Q4 2023, overall ARPDAU decreased slightly by 1.3% QoQ, with 1.3% lower ARPDAU in core franchises and 3.5% lower QoQ ARPDAU in new franchises.

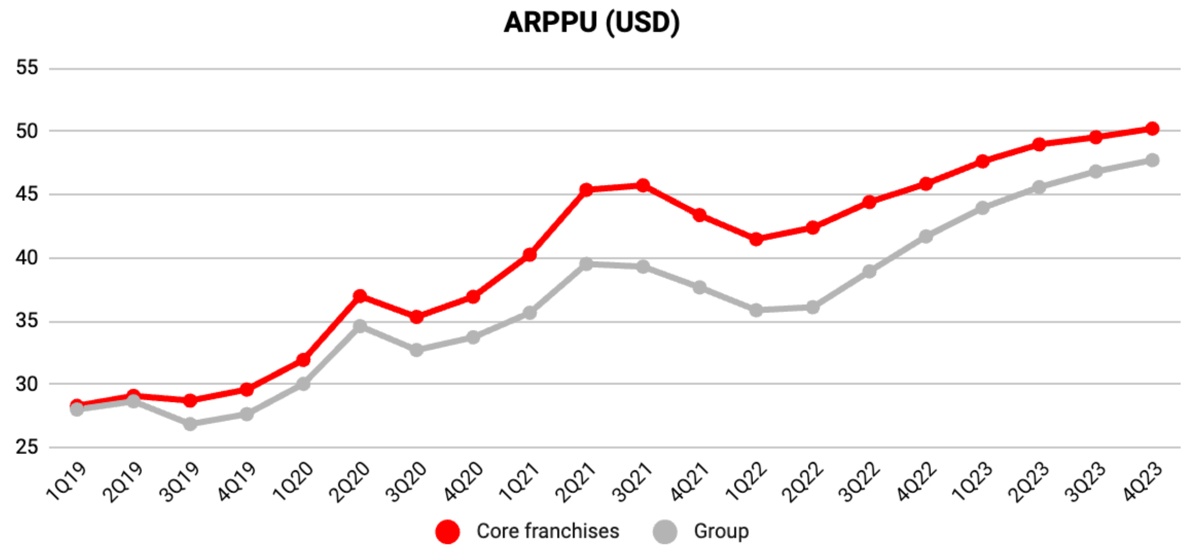
The chart below presents ARPDAU for our core and new franchises for the periods indicated:



Daily Average Revenue per Paying User

In recent years, we have been able to consistently improve the ARPPU of our core franchises owing to the social features of our games as well as constant focus on live events and special offers. In 2023, we saw a 21% YoY increase at the Group level. Our ARPPU in the core franchises increased by 13% YoY. In the Q4 2023, our ARPPU increased slightly QoQ both at the Group level and for our core franchises. Our core ARPPU remains consistently at the top levels in the social casino category.

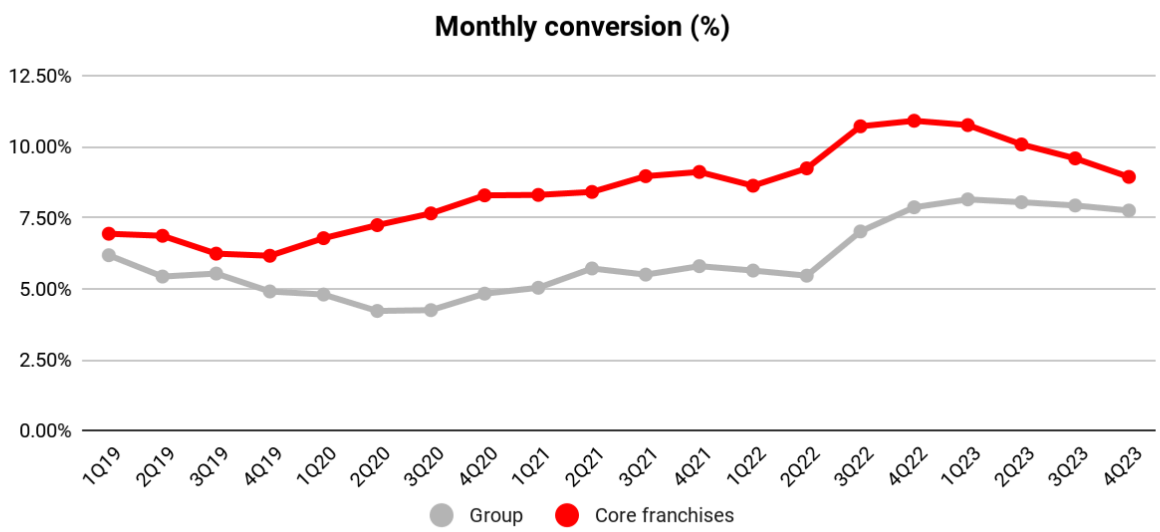
The chart below presents ARPPU for our core franchises games for the periods indicated:



Monthly conversion

Monthly Conversion is an indicator of our ability to convert players into payers. Monthly Conversion for all games grew from 6.3% in 2022 to 8.0% in 2023. This came from a YoY improvement in both core franchises and new franchises. In Q4 2023, Monthly Conversion decreased slightly to 7.7%, from 7.9% in Q3 2023, mainly due to an expanding number of installations and a rise in daily active users (DAU), along with enhanced player diversification across regions beyond the United States. We believe that growing conversion is more beneficial for the longevity of our portfolio than driving revenue through increasing ARPPU. We also note that our core portfolio conversion metrics are also among the best-in-class in the social casino space.

The chart below presents Monthly conversion for our core and new franchises for the periods indicated:



Results of operations (P&L)

The following table presents our consolidated statement of comprehensive income for the two periods of twelve months ended December 31, 2023 and 2022, respectively, and for the two periods of three months ended December 31, 2023 and 2022, respectively ("Q4 2023" and "Q4 2022").

in thousand USD	12m`2023	12m`2022	Change, %	Q4`2023	Q4`2022	Change, %
Revenue	**283,444**	**318,622**	**-11.0%**	**71,333**	**77,674**	**-8.2%**
Cost of sales	(82,569)	(96,886)	-14.8%	(20,522)	(23,630)	-13.2%
Gross profit/(loss) on sales	**200,875**	**221,736**	**-9.4%**	**50,811**	**54,044**	**-6.0%**
Sales and marketing expenses	(50,155)	(88,814)	-43.5%	(14,460)	(13,849)	4.4%
including user acquisition marketing campaigns	(35,337)	(73,725)	-52.1%	(10,422)	(10,081)	3.4%
including general sales and marketing expenses	(14,818)	(15,089)	-1.8%	(4,038)	(3,768)	7.2%
Research and development expenses	(22,008)	(29,577)	-25.6%	(4,533)	(6,450)	-29.7%
General and administrative expenses	(34,463)	(39,611)	-13.0%	(8,887)	(9,749)	-8.8%
Impairment of intangible assets	-	(26,087)	-	-	-	-
Other operating income/(expense), net	(176)	961	-	(299)	324	-
Operating result	**94,073**	**38,608**	**143.7%**	**22,632**	**(1,767)**	**-**
Finance income	5,842	2,172	-169.0%	1,366	1,279	6.8%
Finance expense	(1,150)	(1,726)	-33.4%	(646)	242	-366.9%
Profit/(loss) before tax	**98,765**	**39,054**	**152.9%**	**23,352**	**(246)**	**-**
Income tax	(16,587)	(7,046)	135.4%	(3,936)	(608)	547.4%
Net result for the period	**82,178**	**32,008**	**156.7%**	**19,416**	**(854)**	**-**
Exchange gains/(losses)	1,908	(2,912)	-	2,619	2,482	5.5%
Total comprehensive income for the period	**84,086**	**29,096**	**189.0%**	**22,035**	**1,628**	**-**

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

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
EBITDA	**103,131**	**49,688**	**107.6%**	**24,874**	**1,207**	**-**
EBITDA margin (%)	36.4%	15.6%	20.8pp	34.9%	1.6%	33.3pp
Adjusted EBITDA	**108,233**	**82,295**	**31.5%**	**26,098**	**29,720**	**-12.2%**
Adjusted EBITDA margin (%)	38.2%	25.8%	12.4pp	36.6%	38.3%	-1.7pp
Sales Profit	165,538	148,011	11.8%	40,389	43,963	-8.1%
Sales Profit margin (%)	58.4%	46.5%	11.9pp	56.6%	56.6%	0pp
User acquisition marketing campaigns as % of revenue	12.5%	23.1%	-10.7pp	14.6%	13.0%	1.6pp
Adjusted Net Result	**87,280**	**64,615**	**35.1%**	**20,640**	**27,659**	**-25.4%**
Adjusted Net Result (%)	30.8%	20.3%	10.5pp	28.9%	35.6%	-6.7pp

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:

- 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. 2022 and 2023 there were share-based payment expenses, provision for litigation, costs related to strategic options review and impairment of intangible assets. 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** (previously "Return on sales") 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** (previously "Sales 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. 2023 and 2022 there were share-based payment expenses, provision for litigation, costs related to strategic options review and impairment of intangible assets. 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 are not 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.

The following table presents a reconciliation of Sales Margin for the periods presented:

Sales Profit and Sales Profit Margin

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
Revenue	**283,444**	**318,622**	**-11.04%**	**71,333**	**77,674**	**-8.2%**
Gross profit/(loss) on sales	200,875	221,736	-9.41%	50,811	54,044	-6.0%
User acquisition marketing campaigns	35,337	73,725	-52.07%	10,422	10,081	3.4%
Sales profit	**165,538**	**148,011**	**11.84%**	**40,389**	**43,963**	**-8.1%**
Sales profit margin %	58.4%	46.5%	11.9pp	56.6%	56.6%	-

The following table presents a reconciliation of Adjusted EBITDA for the periods presented:

Adjusted EBITDA reconciliation

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
Net result for the period	**82,178**	**32,008**	**156.7%**	**19,416**	**-854**	**-**
Income tax	16,587	7,046	135.4%	3,936	608	547.4%
Finance expense	1,150	1,726	-33.4%	646	-242	-366.9%
Finance income	(5,842)	(2,172)	169.0%	(1,366)	(1,279)	6.8%
Depreciation and amortization	9,058	11,080	-18.2%	2,242	2,974	-24.6%
EBITDA	**103,131**	**49,688**	**107.6%**	**24,874**	**1,207**	**-**
EBITDA Margin	**36.4%**	**15.6%**	**20.8pp**	**34.9%**	**1.6%**	**33.3pp**
Employee benefits costs – share-based plan[1]	2,855	3,082	-7.4%	1,224	993	23.3%
Provision related to litigations	1,700	-	-	-	-	-
Costs related to strategic options review[2]	547	3,438	-84.1%	-	1,433	-
Impairment of intangible assets – Traffic Puzzle game	-	26,087	-	-	26,087	-
Adjusted EBITDA	**108,233**	**82,295**	**31.5%**	**26,098**	**29,720**	**-12.2%**
Adjusted EBITDA Margin	**38.2%**	**25.8%**	**12.4pp**	**36.6%**	**38.3%**	**-1.7pp**

[1] Employee benefits costs – share-based plan is a non-cash expense related to the Company's stock option plan and recognized in accordance with IFRS 2 Share-based Payment. The following table presents a reconciliation of Adjusted Net Result for the periods presented:
[2] Costs related to strategic options review are a one-off non recurring expense. The process was concluded on February 15, 2023 as announced in the current report CR 4/2023.

Adjusted Net Result

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
Net result for the period	**82,178**	**32,008**	**156.7%**	**19,416**	**(854)**	**-**
Employee benefits costs – share-based plan[1]	2,855	3,082	-7.4%	1,224	993	23.3%
Provision related to litigations	1,700	-	-	-	-	-
Costs related to strategic options review[2]	547	3,438	-84.1%	-	1,433	-
Impairment of intangible assets – Traffic Puzzle game	-	26,087	-	-	26,087	-
Adjusted Net Result	**87,280**	**64,615**	**35.1%**	**20,640**	**27,659**	**-25.4%**
Adjusted Net Result %	**30.8%**	**20.3%**	**10.5pp**	**28.90%**	**35.60%**	**-6.7pp**

[1] Employee benefits costs – share-based plan is a non-cash expense related to the Company's stock option plan and recognized in accordance with IFRS 2 Share-based Payment.
[2] Costs related to strategic options review are a one-off non recurring expense. The process was concluded on February 15, 2023 as announced in the current report CR 4/2023.

Revenue

Our revenue consists of revenue generated by in-app purchases in gaming applications and in-app advertising, as shown in the table below.

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
Gaming applications	279,874	308,852	-9.4%	70,470	76,270	-7.6%
Advertising	3,570	9,770	-63.5%	863	1,404	-38.5%
Total revenue	**283,444**	**318,622**	**-11.0%**	**71,333**	**77,674**	**-8.2%**

Total revenue decreased by USD 35,178 thousand, i.e. 11.0%, from USD 318,622 thousand for FY 2022, to USD 283,444 thousand for FY 2023. In Q4 2023, total revenue decreased by USD 6,341 thousand, i.e. 8.2%, compared to Q4 2022, and remained flat compared to Q3 2023.

Revenue generated by in-app purchases in gaming applications decreased by 9.4% in FY 2023 compared to FY 2022 due to a decrease in both DAU (daily active users) and DPU (daily paying users) caused by lower marketing spend.

Revenue generated by advertising decreased by 63.5% in FY 2023 compared to FY 2022 mostly due to the declining user base of Traffic Puzzle and some of previously discontinued games.

Below, we show the revenue split into main product categories:

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
Huuuge Casino	180,453	188,656	-4.3%	45,954	47,723	-3.7%
Billionaire Casino	91,783	99,418	-7.7%	23,316	25,153	-7.3%
Total Core Franchises	**272,236**	**288,074**	**-5.5%**	**69,270**	**72,876**	**-4.9%**
Traffic Puzzle	9,262	26,172	-64.6%	1,701	4,059	-58.1%
Other	1,946	4,376	-55.5%	362	739	-51.0%
Total New Franchises	**11,208**	**30,548**	**-63.3%**	**2,063**	**4,798**	**-57.0%**
Total Revenue	**283,444**	**318,622**	**-11.0%**	**71,333**	**77,674**	**-8.2%**

Revenue generated by our core games (i.e., Huuuge Casino and Billionaire Casino) decreased by USD 15,838 thousand, i.e. 5.5%, for FY 2023 compared to FY 2022 and decreased by USD 3,606, i.e. 4.9%, for Q4 2023 compared to the corresponding quarter of 2022. This decline is attributed to lower marketing spend driving the decline in DAU and DPU.

With regard to Traffic Puzzle, revenue decreased by 16,910 thousand, i.e. 64.6%, between FY 2023 and FY 2022 and by 58.1% in Q4 2023 compared to the corresponding quarter of 2022. This is a result of sunsetting the Traffic Puzzle studio and putting the game into maintenance mode, both of which took place at the beginning of FY 2023.

The geographical breakdown of revenue is described in Note 3 to the Consolidated Financial Statements for 2023.

Operating expenses

Operating expenses for the year ended December 31, 2023 decreased by USD 65,693 thousand, i.e. 25.8%, compared to the year ended December 31, 2022. This change resulted primarily from (i) the decrease in User Acquisition Marketing Campaigns constituting a dominant part of the Sales and Marketing expenses and (ii) the decrease in cost of sales.

The table below presents a breakdown of our operating expenses.

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
Cost of sales	**(82,569)**	**(96,886)**	**-14.8%**	**(20,522)**	**(23,630)**	**-13.2%**
Sales and marketing expenses:	(50,155)	(88,814)	-43.5%	(14,460)	(13,849)	4.4%
thereof User acquisition marketing campaigns	(35,337)	(73,725)	-52.1%	(10,422)	(10,081)	3.4%
thereof General sales and marketing expenses	(14,818)	(15,089)	-1.8%	(4,038)	(3,768)	7.2%
Research and development expenses	(22,008)	(29,577)	-25.6%	(4,533)	(6,450)	-29.7%
General and administrative expenses	(34,463)	(39,611)	-13.0%	(8,887)	(9,749)	-8.8%
Total operating expenses	**(189,195)**	**(254,888)**	**-25.8%**	**(48,402)**	**(53,678)**	**-9.8%**

Cost of sales

Cost of sales for the year ended December 31, 2023 decreased by USD 14,317 thousand from USD 96,886 thousand to USD 82,569 thousand, i.e. by 14.8%, compared to the year ended December 31, 2022 and by USD 3,108 thousand, i.e. 13.2%, in Q4 2023 compared to the corresponding period of 2022. As the cost of sales is mostly driven by commissions to distributors (platform fees) in Q4 and full 2023, we observe a stronger decrease in cost of sales than the decrease in revenue generated by in-app purchases mainly due to the expansion of the direct-to-consumer webshop platform for our VIP players with significantly lower platform processing fees.

Sales and marketing expenses

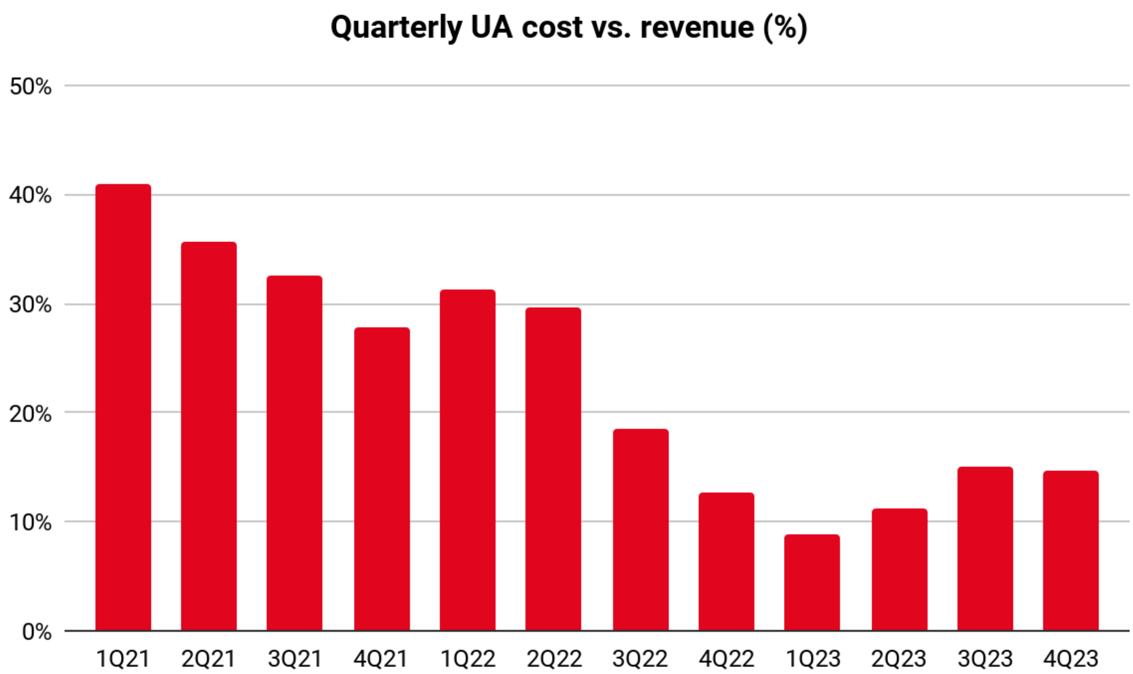
Sales and marketing expenses for the year ended December 31, 2023 decreased by USD 38,659 thousand from USD 88,814 thousand to USD 50,155 thousand, i.e. by 43.5%, compared to the year ended December 31, 2023. In Q4 2023 sales and marketing expenses increased slightly by USD 611 thousand, i.e., 4.4%, compared to Q4 2022. Sales and marketing expenses consist of: i) user acquisition marketing campaigns and ii) general sales and marketing expenses.

The following trends were observed for these items:

User acquisition marketing campaigns

The cost of user acquisition marketing campaigns for the year ended December 31, 2023 decreased by USD 38,388 thousand from USD 73,725 thousand to USD 35,337 thousand, i.e., by 52.1%, compared to the year ended December 31, 2022.This reflected primarily our user acquisition strategy discussed in the User Acquisition and post-IDFA mobile advertising market update section. Measurement of marketing performance has deteriorated significantly with the depreciation of the IDFA. This has made it more challenging to acquire the right profile of players, thereby negatively affecting our ability to undertake large-scale user acquisition and maintain existing payback periods. In Q4 2023 the cost of user acquisition marketing campaigns has increased slightly by USD 341 thousand, i.e., 3.4%, compared to Q4 2022 which follows the improved paybacks observed in the second half of 2023 achieved by execution of our new UA strategy in the post-IDFA reality.

The chart below presents a quarterly view of our user acquisition marketing campaigns as a percentage of revenue.



General sales and marketing expenses

General sales and marketing expenses for the year ended December 31, 2023 decreased by USD 271 thousand from USD 15,089 thousand to USD 14,818 thousand, i.e. by 1.8%, compared to the year ended December 31, 2022, mainly due to a decrease in salaries and employee related costs and decrease of employee stock options plan allocated to the sales and marketing team, offset by the increase of external marketing services. In Q4 2023, general sales and marketing expenses increased by USD 270 thousand, i.e. 7.2%, from USD 3,768 thousand in Q4 2022 to USD 4,038 thousand, mainly due to increase of the data hosting expenses, as well as the introduction of new activities such as brand and influencer marketing offset by the decreased salary and bonuses expenses.

Research and development costs

Research and development costs for the year ended December 31, 2023, decreased by USD 7,569 thousand, from USD 29,577 thousand to USD 22,008 thousand, marking a 25.6% reduction compared to the year ended December 31, 2022. This decrease was primarily due to reduced salaries and employee stock options for the R&D team, which fell by USD 4,174 thousand and USD 965 thousand, respectively, reflecting a reduction in the team's headcount. Additionally, other research and development costs decreased by USD 1,900 thousand, largely due to the scale of external R&D support being greater in 2022. In Q4 2023, research and development costs decreased by USD 1,917 thousand, i.e. 29.7%, compared to Q4 2022. This was mostly due to lower employee stock option plan expenses, salaries, and other employee-related costs in the last quarter of 2023.

General and administrative expenses

General and administrative expenses for the year ended December 31, 2023, decreased by USD 5,148 thousand, from USD 39,611 thousand to USD 34,463 thousand, marking a 13.0% reduction compared to the year ended December 31, 2022. This decrease is the result of a combined effect of: (i) a decrease in salaries and employee-related costs by USD 2,043 thousand, and (ii) a decrease in finance & legal services costs by USD 3,066 thousand. The latter was primarily due to the fact that a substantial portion of the costs for strategic options reviews was recognized in 2022, as opposed to 2023 (USD 3,438 thousand and USD 547 thousand, respectively). General and Administrative expenses in Q4 2023 decreased by USD 862 thousand, i.e. 8.8%, compared to the corresponding quarter of 2022, which is primarily attributable to the decrease in finance and legal services (advisory fees incurred during the strategic options review in 2022).

Profitability

Despite the decrease in revenue, our sales profit increased by USD 17,527 thousand from USD 148,011 thousand to USD 165,538 thousand, i.e. 11.8%, and the sales profit margin by 11.9pp for the year ended December 31, 2023 compared to the year ended December 31, 2022. The change results from a significant decrease in “User acquisition marketing campaigns" expenses as described in the "Operating expenses" section. In Q4 2023 our sales profit decreased by USD 3,574 thousand (i.e. 8.1%) following largely the revenue trend while the sales profit margin remained flat compared to the corresponding quarter of 2022.

The adjusted EBITDA increased by USD 25,938 thousand and the adjusted EBITDA margin by 12.4pp in the year ended December 31, 2023, compared to the year ended December 31, 2022. This increase was primarily due to a similar rise in Sales Profit (as discussed above) and a significant reduction in research and development and general and administrative expenses. In Q4 2023, the adjusted EBITDA decreased by USD 3,622 thousand, or 12.2%, compared to Q4 2022. This was primarily due to a decrease in sales profit, partially offset by reductions in research and development and general and administrative expenses

Finance income/(expenses), net

The table below presents a Finance income and Finance expenses for the periods presented:

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
Finance income	5,842	2,172	169.0%	1,366	1,279	6.8%
Finance expense	(1,150)	(1,726)	-33.4%	(646)	242	-
Finance expense, net	**4,692**	**446**	**-**	**720**	**1,521**	**-52.7%**

Finance income, net for the year ended December 31, 2023 amounted to USD 4,692 thousand and is mainly attributable to finance income generated on interests on short-term bank deposits and money market mutual funds investments (USD 5,842 thousand) partially offset by finance expenses amounting to USD 1,150 thousand driven by foreign exchange losses (mainly resulting from weakening trend in the USD/PLN exchange rate in Q4 2023). Finance income, net in Q4 2023 amounted to USD 720 due to income generated from interests on short-term bank deposits offset by weakening trend in the USD/PLN exchange resulting in foreign exchange losses in the last quarter of 2023.

Statement of financial position

Selected Consolidated Statements of Financial Position

The following selected consolidated financial information as at December 31, 2023 and December 31, 2022 has been derived from the Consolidated Financial Statements included in this Annual Report.

	As at December 31,		As at December 31,	
in thousand USD	2023	Structure	2022	Structure
ASSETS				
Total non-current assets, including:	**29,794**	**13.7%**	**37,442**	**13.1%**
Right-of-use asset	6,850	3.2%	12,965	4.5%
Goodwill	2,554	1.2%	2,462	0.9%
Intangible assets	9,854	4.5%	12,057	4.2%
Other items	10,536	4.8%	9,958	3.5%
Total current assets, including:	**187,634**	**86.3%**	**248,875**	**86.9%**
Trade and other receivables	32,635	15.0%	25,855	9.0%
Cash and cash equivalents	152,110	70.0%	222,245	77.6%
Other items	2,889	1.3%	775	0.3%
Total assets	**217,428**	**100.0%**	**286,317**	**100.0%**
EQUITY				
Total equity	**177,060**	**81.4%**	**240,727**	**84.1%**
LIABILITIES				
Total non-current liabilities, including:	**7,217**	**3.3%**	**9,976**	**3.5%**
Long-term lease liabilities	6,843	3.1%	9,812	3.4%
Other items	374	0.2%	164	0.1%
Total current liabilities, including:	**33,151**	**15.2%**	**35,614**	**12.4%**
Trade and other payables	17,132	7.9%	24,302	8.5%
Short-term lease liabilities	3,796	1.7%	4,015	1.4%
Provisions	1,700	0.8%	-	0.0%
Other items	10,523	4.8%	7,297	2.5%
Total liabilities	**40,368**	**18.6%**	**45,590**	**15.9%**
Total equity and liabilities	**217,428**	**100.0%**	**286,317**	**100.0%**

Assets

Total assets decreased by USD 68,889 thousand (i.e. 24.1% from USD 286,317 thousand as at December 31, 2022 to USD 217,428 thousand as at December 31, 2023). The YoY change in total assets mainly reflects the net decrease in cash and cash equivalents. As a result, we observe a decrease in share of current assets in total assets by 0.6pp, from 86.9% to 86.3% as at December 31, 2023. The structure of other assets lines remained mostly unchanged.

Liabilities

Total liabilities decreased by USD 5,222 thousand, i.e. 11.5%, from USD 45,590 thousand as at December 31, 2022 to USD 40,368 thousand as at December 31, 2023. As at December 31, 2023, total liabilities mainly comprised (i) trade and other payables (accounting for 42.4% of total liabilities compared to 53.3% as at December 31, 2022) and (ii) long-term lease liabilities (accounting for 16.9% of total liabilities compared to 21.5% as at December 31, 2022).

Cash flows and liquidity

Selected consolidated statements of cash flows

The following table summarizes selected net cash flows from operating, investing and financing activities for the two periods of twelve months ended December 31, 2023 and December 31, 2022 and for Q4 2023 compared to Q4 2022.

in thousand USD	12m`2023	12m`2022	Change, %	Q4 2023	Q4 2022	Change, %
Cash flows from operating activities						
Profit/(loss) before tax	**98,765**	**39,054**	**152.9%**	**23,352**	**(246)**	**-**
Adjustments for:						
Total of non-cash changes in depreciation,amortization, profits or losses on disposal	9,748	11,147	-12.6%	2,347	2,994	-21.6%
Non-cash employee benefits expense - share-based payments	2,855	3,082	-7.4%	1,224	993	23.3%
Finance (income)/cost - net	(2,303)	(4,558)	-49.5%	1,054	(568)	-
Changes in net working capital	(15,155)	2,298	-	(1,817)	888	-
Provisions	1,700	(54)	-	-	-	-
Impairment of intangible assets	-	26,087	-	-	26,087	-
Other items	289	101	186.1%	16	169	**-90.5%**
Cash flows from operating activities	**95,899**	**77,157**	**24.3%**	**26,176**	**30,317**	**-13.7%**
Income tax paid	(13,479)	(6,200)	117.4%	(1,371)	(1,436)	**-4.5%**
Net cash flows from operating activities	**82,420**	**70,957**	**16.2%**	**24,805**	**28,881**	**-14.1%**
Cash flows from investing activities, including:						
Acquisition of property, plant and equipment and intangible assets	(2,819)	(4,501)	-37.4%	(612)	(1,497)	-59.1%
Interest received	6,144	1,346	356.5%	1,277	928	37.6%
Sublease repayment & interest received from sublease	798	-	-	281	-	-
Acquisition of IP rights	-	(29,400)	-	-	-	-
Net cash from investing activities	**4,123**	**(32,555)**	**-**	**946**	**(569)**	**-**
Cash flows from financing activities, including:						
Repurchase of own shares incl. transaction costs	(150,985)	(20,090)	651.5%	-	-	-
Lease repayment & interest paid	(4,506)	(4,297)	4.9%	(1,143)	(922)	24.0%
Exercise of stock options	470	2,540	-81.5%	54	127	-57.5%
Net cash from financing activities	**(155,021)**	**(21,847)**	**609.6%**	**(1,089)**	**(795)**	**37.0%**
Net increase/(decrease) in cash and cash equivalents	**(68,478)**	**16,555**	**-**	**24,662**	**27,517**	**-10.4%**
Cash and cash equivalents at the end of the period	**152,110**	**222,245**	**31.6%**	**152,110**	**222,245**	**31.6%**

Net cash flows from operating activities

Net cash inflows from operating activities amounted to USD 82,420 thousand for the year ended December 31, 2023 and USD 24,805 thousand for Q4 2023, which is mainly the result of generated adjusted EBITDA (USD 108,233 thousand and USD 26,098 thousand, respectively), changes in the working capital (USD 15,155 thousand and USD 1,817 thousand, respectively) and income tax paid (USD 13,479 thousand and USD 1,371 thousand, respectively).

Net cash flows from investing activities

Net cash flows from investing activities for the year ended December 31, 2023 amounted to USD 4,123 thousand and resulted mainly from interest received on short-term bank deposits and money-market mutual funds in the amount of USD 6,144 thousand, offset by expenditures on software and equipment.

Net cash flows from financing activities

Net cash outflows from financing activities for the year ended December 31, 2023 amounted to USD 155,021 thousand and resulted mainly from the executed Share Buyback Program ("SBB") in the amount of USD 150,001 thousand (the SBB was started on May 30, 2023 and ended July 4, 2023).

Credits and loans

There are no significant sureties, loans or guarantees granted or received by the Issuer in the reported financial year.

The Group has no borrowing requirements. The Group anticipates that current sources of financing, i.e. equity and operating revenues will remain its main sources of financing in the near future. The Group's operations are not financed using debt financing.

No sureties and guarantees were granted or received by the Group in the year ended December 31, 2023, including those granted to the Company's related entities.

Current and projected financial situation

The table below presents the key parameters for assessing the Group's profitability, efficiency and liquidity.

in thousand USD	12m' 2023	12m' 2022	Change, %	Q4 2023	Q4 2022	Change, %
Profitability ratios						
Gross Profit margin	70.9%	69.6%	1.3pp	71.2%	69.6%	1.6pp
Adjusted EBITDA margin	38.2%	25.8%	12.4pp	36.6%	38.3%	-1.7pp
EBITDA margin	36.4%	15.6%	20.8pp	34.9%	1.6%	33.3pp
Adjusted Net Result margin	30.8%	20.3%	10.5pp	28.9%	35.6%	-6.7pp
Efficiency ratios						
Debtors days	37.7	30.7	22.7%			
Creditors days	40.0	55.1	-27.5%			
Liquidity ratio						
Current ratio	5.7	7.0	-19.0%			

Formulas for the calculation of indicators:
Gross Profit margin: Gross profit/(loss) on sales / Revenue
Adjusted EBITDA margin: Adjusted EBITDA / Revenue
EBITDA margin: EBITDA / Revenue
Adjusted Net Result margin: Adjusted Net Result / Revenue

Debtors days: (Trade and other receivables, gross, at the beginning of the period + Trade and other receivables, gross, at the end of the period) /2) / (Revenue / no. of days)
Creditors days: (Trade and other payables, gross, at the beginning of the period + Trade and other payables, gross, at the end of the period) /2) / (Operating expenses / no. of days)
Current ratio: Total current assets / Total current liabilities

The Group is in very good financial condition, with a high level of net cash (USD 141,471 thousand).

Because the Group (including the Parent Company) did not use external financing in 2022–2023, no debt ratios will be presented.

Separate results of operations

Separate results of operations

	Year ended December 31, 2023	Year ended December 31, 2022	Change	Change, %	3-month period ended December 31, 2023	3-month period ended December 31, 2022	Change	Change, %
Revenue	**1,577**	**2,922**	**(1,345)**	**-46%**	**281**	**801**	**(520)**	**-65%**
Gross profit / (loss)	**1,577**	**2,922**	**(1,345)**	**-46%**	**281**	**801**	**(520)**	**-65%**
Sales and Marketing expenses	**(56)**	**(76)**	**20**	**-26%**	**-**	**(39)**	**-**	**-**
Research and development expenses	(419)	(2,156)	1,737	-81%	-	(534)	-	-
General and administrative expenses	(6,015)	(8,167)	2,152	-26%	(1,376)	(2,039)	663	-33%
Dividend income	159,729	-	159,729	-	30,757	-	30,757	-
Other operating income/(expense), net	(1,876)	(16)	(1,860)	-	(132)	(2)	(130)	-
Operating result	**152,940**	**(7,493)**	**-**	**-**	**29,530**	**(1,813)**	**-**	**-**
Finance income	**2,869**	**986**	**1,883**	**191%**	**730**	**584**	**146**	**25%**
Finance expense	**-**	**(376)**	**376**	**-**	**-**	**(48)**	**48**	**-**
Profit/(loss) before tax	**155,809**	**(6,883)**	**-**		**30,260**	**(1,277)**	**-**	**-**
Income tax	**(1,558)**	**(829)**	**(729)**	**88%**	**591**	**(238)**	**-**	**-**
Net result for the year	**154,251**	**(7,712)**	**-**	**-**	**30,851**	**(1,515)**	**-**	**-**
Total other comprehensive income	**154,251**	**(7,712)**	**-**	**-**	**30,851**	**(1,515)**	**-**	**-**

The Company's separate net result for the year ended December 31, 2023 increased from negative 7,712 thousand for the year ended December 31, 2022 to positive USD 154,251 thousand as a result of increase in operating result mainly due to the intragroup dividend income generated in FY 2023.

Selected separate statements of financial position

	As at December 31,		As at December 31,	
	2023	Structure	2022	Structure
Assets				
Total non-current assets, including	**29,935**	**24.3%**	**29,446**	**25.2%**
Investment in subsidiaries	29,847	24.2%	29,162	24.9%
Other items	88	0.1%	284	0.2%
Total current assets, including	**93,245**	**75.7%**	**87,440**	**74.8%**
Dividend receivable	10,000	8.1%	0	0.0%
Trade and other receivables	1,961	1.6%	1,224	1.0%
Cash and cash equivalents	80,532	65.4%	86,210	73.8%
Other items	752	0.6%	6	0.0%
Total assets	**123,180**	**100.0%**	**116,886**	**100.0%**
Total equity	**119,186**	**96.8%**	**112,688**	**96.4%**
Total liabilities	**3,994**	**3.2%**	**4,198**	**3.6%**
Total current liabilities, including	**3,994**	**3.2%**	**4,198**	**3.6%**
Trade and other payables	2,294	1.9%	4,092	3.5%
Provisions	1,700	1.4%	0	-
Other items	-	-	106	0.1%
Total equity and liabilities	**123,180**	**100.0%**	**116,886**	**100.0%**

Assets

Total assets increased by USD 6,294 thousand, i.e. 5.4%, from USD 116,886 thousand as at December 31, 2022 to USD 123,180 thousand as at December 31, 2023, mainly due to the intragroup dividend receivable not yet paid as at December 31, 2023.

As of December 31, 2023, and December 31, 2022, total assets primarily consisted of the following items: i) cash and cash equivalents (accounting for 65.4% and 73.8% of total assets as of December 31, 2023, and December 31, 2022, respectively); ii) investments in subsidiaries (accounting for 24.2% and 24.9% of total assets as of December 31, 2023, and December 31, 2022, respectively); and iii) dividend receivable (accounting for 8.1% of total assets as of December 31, 2023)

Liabilities

Total liabilities decreased by USD 204 thousand, i.e. 4.9%, from USD 4,198 thousand as at December 31, 2022, to USD 3,994 thousand as at December 31, 2023, which is attributable to the decrease in payables related to strategic options review costs, offset by the recognition of provision for litigations which amounted to USD 1,700 thousand as at December 31, 2023.

Selected separate statements of cash flows

The following table summarizes selected net cash flows from operating, investing and financing activities for the two periods of twelve months ended December 31, 2023 and December 31, 2022.

	12m`2023	12m`2022	Change	Change, %
Cash flows from operating activities				
Profit/(loss) before tax	**155,809**	**(6,883)**	**162,692**	**-**
Adjustments for:				
Non-cash employee benefits expense - share-based payments	2,170	774	1,396	180%
Finance (income)/expense, net	(2,805)	(1,051)	(1,754)	167%
Changes in net working capital:	(2,628)	4,080	(6,708)	-
Dividend receivable	(10,000)	-	(10,000)	-
Provisions	1,700	-	1,700	-
Other items	172	103	69	67%
Cash flows from operating activities	**144,418**	**(2,977)**	**147,395**	**-**
Income tax paid	(2,326)	(545)	(1,781)	327%
Net cash from operating activities	**142,092**	**(3,522)**	**145,614**	**-**
Cash flows from investing activities				
Interest received	2,915	590	2,325	394%
Other items	-	(21)	21	-
Net cash from investing activities	**2,915**	**569**	**2,346**	**412%**
Cash flows from financing activities				
Repurchase of common shares under Share Buyback Scheme ("SBB") incl. Transaction costs	(150,985)	(20,090)	(130,895)	652%
Exercise of stock options	470	2,540	(2,070)	-81%
Other items	(60)	(78)	18	-23%
Net cash from financing activities	**(150,575)**	**(17,628)**	**(132,947)**	**754%**
Net increase/(decrease) in cash and cash equivalents	**(5,568)**	**(20,581)**	**15,013**	**-73%**
Effect of exchange rate fluctuations and accrued interest	(110)	461	(571)	-
Cash and cash equivalents at the beginning of the period	**86,210**	**106,330**	**(20,120)**	**-19%**
Cash and cash equivalents at the end of the period	**80,532**	**86,210**	**(5,678)**	**-7%**

Cash flows from operating activities

Net cash outflows from operating activities for the year ended December 31, 2023 amounted to USD 142,092, which is a main effect of the positive net result in FY 2023 (USD 154,251 thousand) discussed in the separate results of operations section.

Cash flows from investing activities

Net cash inflows from investing activities for the year ended December 31, 2023 amounted to USD 2,915 thousand and it is mostly attributable to interests earned on cash deposits and money market mutual funds.

Cash flows from financing activities

For the twelve months ended December 31, 2023, the Company recorded net cash outflows from financing activities amounting to USD 150,575 thousand, mainly due to the executed Share Buyback in May-July 2023.

Additional information

Assessment of the possibility of realizing the investment plans

The Company has a high level of cash and cash equivalents as at December 31, 2023. Therefore the Group is fully capable of developing the existing product portfolio, creating new games and financing any new initiatives. The Company is interested in acquiring other entities operating on the F2P games market and is capable of obtaining additional financing if there is such a need.

Information on key markets and dependence on customers and suppliers

Information on key markets and on dependence on customers and suppliers is described in Note 3 of the Consolidated Financial Statements for 2023.

Significant events after the balance sheet date

Significant events that occurred after the balance sheet date are presented in the Consolidated Financial Statement for the period in Note 23 Subsequent events.

Possibility of accomplishing previously published forecasts

The Issuer does not publish financial forecasts.

Financial risk management

The financial risk management section is described in Note 7 to the Consolidated Financial Statements.

Off balance sheet positions

There were no off balance sheet positions as of December 31, 2023.

Structure of the main capital investments or major capital expenditures

There were no main capital investments or major capital expenditures as of December 31, 2023.

Climate

The Company's Executive Management has strategic oversight of relevant sustainability issues. A materiality study was conducted in 2022 to assess, from a double materiality perspective, which ESG issues are material to the group. Among the material issues identified were issues related to combating climate change. At the same time, the study did not identify any significant risks related to climate change.

Huuuge Inc.'s business model is characterized by low environmental impact. The group does not use fuels in buildings and trace amounts in vehicles used by the company, resulting in negligible greenhouse gas emissions in scope 1 (direct emissions resulting mainly from use of fuels). Electricity is used in office applications, and the group does not have its own extensive data centers, also resulting in low greenhouse gas emissions in scope 2 (indirect emissions resulting from production of energy acquired by the company). A greenhouse gas emissions calculation in scope 3 (all other indirect emissions in the company's value chain) is planned for the future.

GOVERNANCE

Shares and shareholding structure

Common and preferred stock

Basic information about the stock

Name	Huuuge, Inc.
Short name	HUUUGE
WSE Ticker **Bloomberg Ticker** **Reuters Ticker**	HUG HUG PW HUGP.WA
ISIN	US44853H1086
Number of issued stock	67,124,778

Effective on February 5, 2021, all Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares were converted into Common Shares. On February 5, 2021, the Company also adopted the Fourth Amended and Restated Certificate of Incorporation, pursuant to which the Company has the authority to issue 113,881,420 shares, which shall be divided into two classes, consisting of (i) 113,881,418 Common Shares of USD 0.00002 par value per share and (ii) two Preferred Shares of USD 0.00002 par value per share, which shall be divided into two series, consisting of one Series A Preferred Share of USD 0.00002 par value and one Series B Preferred Share of USD 0.00002 par value. Within the authorization in the Certificate of Incorporation, the Board of Directors is authorized to make decisions about issuing and redeeming Company's Common Shares. The Company issued two Preferred Shares: one Series A Preferred Share to RPII HGE LLC and one Series B Preferred Share to Big Bets OÜ (controlled by Anton Gauffin). The Preferred Shares, respectively, give RPII HGE LLC the right to appoint one director of the Company and Big Bets OÜ the right to appoint two directors of the Company, provided that one such director, to be approved, will be Anton Gauffin. Preferred Shares carry the same voting rights as Common Shares unless otherwise stipulated in the Certificate of Incorporation of the Bylaws, but they are not admitted to trading on the Warsaw Stock Exchange (the "WSE").

The Series A Preferred Share is subject to automatic conversion in case the holders of Series A Preferred Shares (i) ceasing to own, together with its affiliates, as least 50% of the aggregate number of Series A Preferred Shares and Common Shares owned by such holders upon the opening of the first day of listing of the Common Shares on the regulated market operated by the Warsaw Stock Exchange or (ii) transferring all f Series A Preferred Shares. The Series B Preferred Share is subject to automatic conversion in case the holders of Series B Preferred Shares (i) ceasing to own, together with its affiliates, as least 10% of the aggregate number of Series B Preferred Shares and Common Shares owned by such holders upon the opening of the first day of listing of the Common Shares on the regulated market operated by the Warsaw Stock Exchange or (ii) transferring all shares of Preferred Stock of Series B Preferred Shares.

The Certificate of Incorporation and Bylaws do not implement any voting limitations as to the performance of voting rights by holders of any amount of Shares.

On January 27, 2021, Huuuge, Inc. published its prospectus and launched its initial public offering. The offering comprised a public subscription for 11,300,100 newly issued shares of the Company and a public sale of 22,016,586 existing shares, and also seeking the admission and introduction of 84,246,695 Common Shares including 11,300,100 newly issued Common Shares to trading on the regulated market of the Warsaw Stock Exchange with a nominal value of USD 0.00002 per share. The first listing date on the Warsaw Stock Exchange was February 19, 2021.

On August 29, 2023, in accordance with Section 243 of the Delaware General Corporation law, the Board of Directors adopted a resolution on the retirement of 17,121,919 shares of common stock of the Company representing 20.3% of the issued share capital of the Company comprising of 84,246,697 shares at the time. The shares that were subject to the retirement were purchased by the Company during the share buyback (described below) with the intention for the shares to be retired, with the exception to the shares necessary, in the Company's view, to satisfy its ongoing needs under the Company's employee stock option plans. Effective as of the adoption of the resolution of the Board of Directors, i.e. August 29, 2023, the retired shares resumed the status of authorized and unissued shares of the common stock of the Company and the Issuer's issued share capital decreased from 84,246,697 to 67,124,778 shares.

Further, following a review, the Board of Directors concluded that such a high authorized capital is not necessary and therefore the Board of Directors decided that it will recommend that at the next Annual General Meeting the shareholders approve an amendment to the Certificate of Incorporation of the Company to decrease the authorized capital of the Issuer by 21,128,984 shares of common stock of the Company. The proposal of the Board of Directors has not received a required majority of votes at Annual General Meeting of the Company held on October 27, 2023, and the authorized share capital remained unchanged at 113,881,420.

The Company's issued share capital as of date of this Annual Report and approval of this Annual Report for publication consisted of: (i) 67,124,776 Common Shares with a nominal value of USD 0.00002 each, and two Preferred Shares (Preferred Shares are not admitted to trading on the WSE).

To the best of the Company's knowledge, as at the date of publication of this Report, the shareholders holding (directly or indirectly through subsidiaries) at least 5% of the total number of votes at the Issuer's general meeting are presented in the table below.

Shareholder	Shares	% of share capital	Votes	% of votes at the General Meeting
Anton Gauffin (through Big Bets OÜ)[1]	20,394,509	30.38	20,394,509	32.34
Raine Group (through RPII HGE LLC)[1]	8,571,525	12.77	8,571,525	13.59
Nationale-Nederlanden FUNDS	5,688,696	8.47	5,688,696	9.02
Treasury Shares (carry no voting rights)	4,069,428	6.06	-	-
Others	28,400,620	42.31	28,400,620	45.04
Total[2]	**67,124,778**	**100.00**	**63,055,350**	**100.00**

[1] including one Preferred Share;

[2] 67,124,776 Common Shares are introduced to public trading on the Warsaw Stock Exchange as of the date of approval of this Annual Report for publication. Moreover, two shares of the Company are Preferred Shares and have not been introduced to public trading.

Each holder of Common Shares, as such, and each holder of Preferred Shares, are 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.

Share Buyback

As reported in the current report no. 25/2023 dated July 4, 2023, as a result of the settlement of the acquisition and transfer of ownership of the shares offered in response to 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") announced by the Company on May 30, 2023 in the current report no. 19/2023 (as subsequently amended and announced by the Company in current report no. 23/2023 on June 19, 2023), the Company acquired 17,121,919 of its common shares that represented at the time 20.32% of the share capital of the Company and that entitled their holders to exercise at the time 21.42% of the total number of votes at the general meeting of the Company for a total consideration of USD 149,999,996.

The settlement of the SBB took place on July 4, 2023 (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 8.7607 per share. 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 at July 3, 2023 (as the day preceding the Settlement Date), which was 4.0735.

The shares were acquired on the basis of the Company's Board of Directors resolution dated May 30, 2023 launching the acquisition of the Company's common shares listed on the Warsaw Stock Exchange by way of a time-limited Invitation to Sell, establishing detailed conditions and procedures for participation in and execution of the SBB.

Treasury Shares

As at December 31, 2022, the Company held 5,063,182 Treasury Shares.

As described above, the Company acquired 17,121,919 common shares in the SBB and all the acquired shares were retired on August 29, 2023 in accordance with Section 243 of the Delaware General Corporation law.

Over the course of 2023, a total of 915,554 of the Company’s Treasury Shares were allocated for the exercise of employee stock options and delivered.

Accordingly, as of December 31, 2023, the number of Treasury Shares held by the Company amounted to 4,147,628 with total par value of USD 82.95 and representing 6.18% of the share capital of the Company issued at the time.

On February 7, 2024, the Company’s Board of Directors approved allocation of up to 78,200 Treasury Shares for the exercise of employee stock options (all were exercised and delivered by the date of approval of this Annual Report for publication).

As of the date of approval of this Annual Report for publication, the number of Treasury Shares held by the Issuer amounted to 4,069,428 with total par value of USD 81.39 and representing 6.06% of the share capital of the Company.

For more detailed information regarding share capital please see Note 12 Share Capital in the Annual Consolidated Financial Statements.

Share option plans

As at December 31, 2023 the Company had two equity-settled share option programs. The first share option program (the employee share option plan) was established by our Board of Directors on April 3, 2015 and the second on October 19, 2019. (Both plans have been further developed and amended by the Board, within its powers under the Company’s governing documents and the terms of the respective plans). The programs entitle Company officers, employees and some consultants of the Company and its Subsidiaries to purchase shares in the Company at a specified price. Each option gives the right to acquire one Common Share in the Company.

The vesting condition of both 2015 Stock Option Plan and 2019 Stock Option Plan programs is to provide the service continuously for at least 4 years from the grant date. Generally, the prevailing vesting schedule applicable to grants under both programs stipulates that either:

- the first 25% of options vest following 12 months of continuous service beginning on the vesting commencement date. Subsequently, 1/36 of the remaining options vest and become exercisable for each consecutive month of continuous service, or
- 1/48th of the total option shares vest and become exercisable for each consecutive month of continuous service.

The Company has introduced performance conditions to the options granted under 2019 Stock Option Plan to the senior management of the Company in 2023 that condition exercising the options on reaching specific financial metrics and price of the Company's common shares at the Warsaw Stock Exchange.

For further details of the programs, please refer to Note 16 Share-based payment arrangements in the Consolidated Financial Statements. The Company's equity-settled share option programs are managed, approved and supervised by the Board of Directors.

Dividend policy

The Company has no dividend policy. The Board of Directors may from time to time declare dividends out of the Company's surplus cash flows and may, subject to the provisions of the Bylaws and the Certificate of Incorporation, set dates for the declaration and payment thereof. No dividend is payable other than in accordance with the applicable provisions of Delaware law. The General Meeting does not adopt resolutions regarding the distribution of profits and the payment of dividends.

The Board of Directors has not made any decision regarding the payment of dividends or the value thereof, if any, during the reporting period.

Our Board of Directors may decide not to pay dividends in the future. This might happen especially if unexpected events occur that would change the view of the Board of Directors as to the prudent level of cash and capital conservation as well as the Company's financial goals and strategy.

Pursuant to the Certificate of Incorporation, all common shares are treated equally, identically and ratably, on a per-share basis, with respect to any dividends or distributions as may be declared and paid from time to time by the Board of Directors out of any of the Company's legally available assets.

General Meetings

Convening a General Meeting
Pursuant to the Bylaws, the date and time of a General Meeting are determined by the Board of Directors, for the purpose of electing directors and for transaction of other business. The Chairman of the Board or the Chief Executive Officer may call a Special General Meeting at the written request of the Company's shareholders owning shares representing at least 10% of the voting rights.

Upon the request to convene such a meeting, the Board of Directors determines the date, time and place, if any, of such meeting, which must be scheduled not less than thirty (30) days and not more than ninety (90) days after the Secretary receives the said request. The Secretary prepares the relevant notification. No business may be discussed at a Special General Meeting other than that specified in the notice to the shareholders.

An Special General Meeting may only discuss such business as has been included on the agenda by the Board of Directors, Chairman of the Board, the Chief Executive Officer or the President, or included in the notice sent out at the shareholders' written request as described above.

Notice of a General Meeting
Pursuant to the Bylaws, whenever shareholders are required or permitted to take any action at a meeting, a timely notice will be mailed or transmitted electronically by the Secretary to each shareholder of record entitled to vote in accordance with the records as at the record date for the meeting. Unless otherwise stipulated by the Certificate of Incorporation or the applicable laws, notice of a meeting should be given not less than ten (10) or more than sixty (60) days before the date of the meeting to each shareholder entitled to vote at such meeting.

In addition, notices of all General Meetings, either Annual General Meeting and Special General Meeting, are published in a current report in accordance with relevant reporting requirements applicable to a company listed on the WSE and on our Investor Relations website at ir.huuugegames.com, indicating, among others, a record date and all information relevant for participation and voting at such General Meeting not later than on such record date.

Quorum

Pursuant to the Bylaws, unless otherwise stipulated by law or by the Certificate of Incorporation, at all general meetings (annual or special), a quorum requires the presence, either in person or by proxy, of holders of at least one-third of the voting rights associated with the issued and outstanding shares entitled to vote. The majority of the votes cast is decisive for passing or rejecting a resolution.

Voting and proxies

As at the date of this Annual Report, the Company's outstanding share capital consists of: 67,124,776 Common Shares and two Preferred Shares. Each Common Share and each Preferred Share carries one vote. Unless otherwise expressly required by law or stipulated in the Certificate of Incorporation, both the holders of Common Shares and of Preferred Shares shall vote together as a single class on all matters submitted to a shareholders' vote.

Powers of the General Meeting

The General Meeting has the power to elect directors (other than those directors elected by the holders of the Preferred Shares, and notwithstanding the Board of Directors' power to fill vacancies in the Board of Directors).

Pursuant to the Certificate of Incorporation, any amendment, alteration, or repeal of the provisions in the Certificate of Incorporation or Bylaws concerning: (a) the right of the holders of 10% of the total votes to request convening a SGM, (b) the quorum required at a General Meeting, (c) the number of Directors, their term of office, appointment and dismissal, and independence criteria, and (d) the Audit Committee (except for any amendment required under the applicable law), shall in each case be approved by an affirmative vote of the holders of the majority of the outstanding shares carrying voting rights.

Board of Directors

Appointment of the Board of Directors

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. At least two out of the five persons must meet the independence criteria adopted or accepted by the WSE, including the criteria referred to in Annex II to the European Commission recommendation of February 15, 2005, on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

In accordance with the Certificate of Incorporation, any Director elected, as stipulated above, by holders of Series A Preferred Shares or Series B Preferred Shares may be removed without cause, exclusively by an affirmative vote of the holders of the majority of the outstanding Series A Preferred Shares or Series B Preferred Shares respectively, acting as a separate class, either at an Special General Meeting duly called for that purpose or pursuant to the written consent of such shareholders. In addition, in accordance with the applicable law, any director so elected may be removed with cause by the majority of holders of shares carrying the respective voting rights. The Series A Director or Series B Director(s) may not be appointed by shareholders of the Company other than by holders of Series A Preferred Shares or Series B Preferred Shares respectively. Any director (other than a Series A Director or Series B Director) may be removed at any time without cause by an affirmative vote of the holders of the majority of outstanding Common Shares entitled to vote thereon, voting together as a single class. In addition, in accordance with the applicable law, any director (other than a Series A Director or Series B Director) may be removed with cause by the majority in votes cast by the holders of shares carrying the respective voting rights.

In accordance with the Bylaws, subject to the provisions of the Delaware General Corporation Law and the restrictions contained in the Certificate of Incorporation or the Bylaws themselves, relating to an act requiring the approval of the shareholders or the votes of the outstanding shares, the business and affairs of the Corporation are managed and all corporate powers are exercised by the Board of Directors or a designated entity under its direction. The Board of Directors decides on the issuance or repurchase of shares within the authorization given in the Certificate of Incorporation.

The Board of Directors currently consists of five (5) persons elected at the Annual General Meeting dated October 27, 2023, for a term of office ending on the date of the following Annual General Meeting or on the date of election of a replacement director or on a director's earlier resignation or dismissal.

The following table summarizes the most important information about acting members of the Board of Directors as at the date of this Annual Report.

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	2023	2024
Henric Suuronen	Non-executive Director	2023	2024
John Salter	Non-executive Director	2023	2024
Krzysztof Kaczmarczyk	Non-executive Director (independent)	2023	2024
Tom Jacobsson	Non-executive Director (independent)	2023	2024

Until October 27, 2023, the Board of Directors consisted of the following members: Rod Cousens, Anton Gauffin, Tom Jacobsson, Krzysztof Kaczmarczyk, John Salter and Henric Suuronen. At the Company's AGM held on October 27, 2023, the holder of the single Company's Preferred Series A Share elected John Salter for an additional term of office, the holder of the single Company's Preferred Series B Share elected Anton Gauffin and Henric Suuronen for an additional term of office, and the holders of the Company's Common Shares elected Krzysztof Kaczmarczyk and Tom Jacobsson, each to serve as directors until the next AGM or until such directors' successors are duly elected and unless any of the directors dies, resigns, is dismissed or retires earlier.

Two members of the Company's Board of Directors, Krzysztof Kaczmarczyk and Tom Jacobsson, meet the statutory criteria for independence in accordance with the criteria referred to in Annex II to the European Commission recommendation of February 15, 2005, on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

The Board of Directors supervises the preparation of the Group's consolidated financial statements and is required to ensure that the Group's consolidated financial statements and the business statements comply with legal requirements. The Chief Executive Officer approves and signs the Group's consolidated financial statements. Substantially the same procedures apply to the Company's separate financial statements.

Committees

The Board of Directors has established the following committees: the Audit Committee, the Remuneration and Nomination Committee and the Special Committee.

Audit Committee
The Board of Directors has appointed from among its members the following persons to the Audit Committee:

- Mr Krzysztof Kaczmarczyk (Chairman of the Audit Committee);
- Mr Tom Jacobsson; and
- Mr John Salter.

Krzysztof Kaczmarczyk is the member of the Audit Committee with knowledge and skills in accounting and finance, and Tom Jacobsson is the member of the Audit Committee with knowledge and skills in the industry in which the Company operates.

The Audit Committee is responsible for supervising the Company's financial matters and monitoring the implementation and maintenance of internal control, risk management, compliance and internal audit systems in the Company. Its scope of activity includes advising and consulting on financial reporting and auditing financial statements by a statutory auditor, which constitute actions in the competences of the Board of Directors.

Tom Jacobsson Non-executive director, independent
Tom Jacobsson is a veteran digital business entrepreneur with over 25 years of experience in helping products and businesses succeed through winning culture, design thinking, lean start-up philosophy and agile development. In previous roles, Tom built global infrastructure products and mobile technology as 3G System Program Manager for Nokia, ran Nokia's mobile chipset strategy and planning from single source vendor to multi-source, acted as a turnaround CEO for small and midsize digital companies and worked with companies on public listings. Presently, he is the CEO of Dunning, Kruger & Associates, a full-stack digital product company which he co-founded in 2017 and which merged to the North Alliance family in 2021.

Krzysztof Kaczmarczyk, Non-executive director, independent
Krzysztof Kaczmarczyk is an independent member of supervisory boards of companies listed on the Warsaw Stock Exchange. He has gained over 15 years of supervisory experience sitting on the supervisory boards of more than 40 companies. Simultaneously, he served as a member or chairman of audit committees of more than 20 companies listed on the WSE. In 1999–2008, he worked for Deutsche Bank in Poland, where he served as Deputy Director of the Stock Market Analysis Department and Stock Market Analyst for the Central and Eastern European Region. From 2008 to 2010, he held various management positions within the TP Group (Orange). In 2010–2011, he worked for the Swiss investment bank Credit Suisse in Poland. In 2012–2015, he held the position of vice-president of the Management Board for Strategy and Business Development in Emitel, a leading terrestrial radio and television network operator in Poland. From 2016 to 2019, he worked as a strategy advisor to the Management Board of KGHM Polska Miedź S.A. (a leading mining company in the world). From 2021, he holds the position of president of the Management Board of Mabion S.A., a biotechnology company (listed on the Warsaw Stock Exchange). He is a graduate of the Warsaw School of Economics with a degree in finance and accounting.

In 2023, the Audit Committee of the Board of Directors held five (5) meetings.

Remuneration and Nomination Committee
The Board of Directors has appointed from among its members the following persons to the Remuneration and Nomination Committee:

- Mr Krzysztof Kaczmarczyk (Chairman of the Remuneration and Nomination and Remuneration Committee)
- Mr Tom Jacobsson
- Mr John Salter

The tasks of the Remuneration and Nomination Committee consist of (a) preparing and periodically reviewing the Group's compensation policy and principles, the performance criteria related to compensation and a periodical review of their implementation, as well as submitting proposals and recommendations to the Board of Directors, and (b) preparing all relevant decisions of the Board of Directors concerning the nomination of members of the Issuer's Board of Directors, as well as submitting proposals and recommendations to the Board of Directors.

Special Committee
On June 14, 2022, the Board of Directors established the Special Committee and appointed from among its members the following persons to the committee:

- Mr Krzysztof Kaczmarczyk
- Mr Tom Jacobsson
- Mr John Salter

The Special Committee received a mandate from the board to manage the strategic options review and make recommendations to the board regarding steps to be taken pursuant to the review. The strategic option review process ended on February 15, 2023 and the Special Committee was then dissolved on August 29, 2023.

Agreements with the Board of Directors

Except for the transactions mentioned below, remuneration for the year ended December 31, 2023 of the members of the Board of Directors and share options owned by members of the Board of Directors and the reimbursement of travel expenses and accommodation costs incurred by board members related to their work, there were no other transactions between the Issuer and members of the Board of Directors.

Name	Function	Cash compensation	Share-based payment
Anton Gauffin[1]	Executive Chairman of the Board	721	338
Henric Suuronen	Non-executive director	76	-
John Salter	Non-executive director	183	-
Rod Cousens[2]	Non-executive director	759	-
Krzysztof Kaczmarczyk	Non-executive director (independent)	187	-
Tom Jacobsson	Non-executive director (independent)	182	-
Total		**2,108**	**338**

Amounts of remuneration and benefits in kind of members of the Board of Directors
Costs of remuneration (including accrued bonuses) of members of the Board of Directors amounted to USD 2,108 thousand for the year ended December 31, 2023. The Company has no formal rules for the payment of cash bonuses to members of the Board of Directors; all such bonuses are paid on a discretionary basis.

Shares or share options held by members of the Board of Directors
The table below presents the number of shares and share options held by members of the Board of Directors as of the date of approval of this Annual Report for publication:

Name	Function	Common Shares	Share Options Outstanding
Anton Gauffin (through Big Bets OÜ)[3]	Executive Chairman of the Board and Executive Director	20,394,509	425,000
Henric Suuronen	Non-Executive Director	1,673,610	0

Mr. Anton Gauffin, holding the positions of the Executive Chairman of the Board and Executive Director of the Company (and President and Chief Executive Officer of the Company until September 18, 2023) was granted with 500,000 share options in total, out of which 75,000 had a vesting condition to provide the service continuously for about four years from the service

[1] Between January 1, 2023 and March 7, 2023, Mr. Anton Gauffin served as the Co-Chief Executive Officer and Executive Director and between March 7, 2023 and September 18, 2023 he served as the Chief Executive Officer and Executive director.
[2] Between January 1, 2023 and March 7, 2023 Mr. Rod Cousens was also a member of the Executive Management Team and served as Co-Chief Executive Officer. Mr. Rod Cousens was not re-elected for another term of office and, accordingly, he ceased to hold a seat in the Board of Directors on October 27, 2023.
[3] Anton Gauffin also holds one Series B Preferred Share through Big Bets OÜ.

commencement date and to meet 2021 EBITDA target. These options were forfeited in 2022 as the performance condition was not met. As at December 31, 2023 Mr. Anton Gauffin holds 425,000 outstanding options (vested and unvested).

Information on agreements known to the Company, including those concluded after the balance sheet date, that may result in future changes in the proportion of shares held by the existing shareholders

The Company is not aware of any agreements that may result in future changes in the proportion of shares held by the existing shareholders, except for possible changes in the proportion of shares resulting from equity-settled share option programs in the Company.

Information on all liabilities arising from pensions

In 2023, as well as from January 1, 2024 until the date of approval of this Annual Report for publication, there were no liabilities arising from pensions and benefits of a similar nature for former managing, supervising or former members of administrative bodies, and no liabilities were incurred in connection with those pensions.

Information on agreements concluded between the Issuer and board members

On March 7, 2023, an agreement was concluded between the Company and Mr. Rod Cousens. The agreement terminated Mr. Rod Cousens's his board service and executive service as co-Chief Executive Officer of the Company by mutual agreement. In addition the Company confirmed in the agreement Mr. Cousens's entitlement to payment in lieu of advance 12-month notice period for termination; this payment is included in the compensation of key management personnel presented above.

On October 23, 2023, a standard agreement for election and re-election was concluded between the Company and Mr. John Salter confirming remuneration of Mr. John Salter as a member of the Board of Directors in accordance with Remuneration Policy. All remuneration of Mr. John Salter as a member of the Board of Directors is included in the compensation of key management personnel presented above.

The Company has not concluded any other agreements with members of the Board of Directors providing for compensation in the event of the resignation or dismissal from the position held without an important reason or if the dismissal is due to the Issuer's merger by acquisition.

Officers; Executive management

Officers; Composition of the executive management and division of responsibilities

Chief Executive Officer and Executive Team

The Chief Executive Officer ("**CEO**") is responsible for supervising, directing, and controlling the business of the Company and sees that all orders and resolutions of the Board of Directors come into effect. The Chief Executive Officer, together with any President, also performs all duties incidental to this office that may be required by law and all such other duties as are set out for him or her by the Board of Directors or the Bylaws.

On February 12, 2015, Mr. Anton Gauffin was appointed President and CEO of Huuuge, Inc. Mr. Rod Cousens was appointed as co-CEO on April 7, 2022, but stepped down on March 7, 2023. On September 18, 2023 Mr. Anton Gauffin stepped down from the position of President and CEO of the Company and was appointed as the Executive Chairman of the Board while still remaining an executive director of the Company. On the same date, Mr. Wojciech Wronowski, who was thus far serving as the Chief Operating Officer (not being a formal officer of the Company), was appointed a formal officer of the Company, namely the Chief Executive Officer.

The CEO has appointed the Executive Team (not a formal body of the Company) to assist the CEO in planning and managing operations, as well as preparing matters for discussion by the Board of Directors. Executive Team meetings are convened by the CEO on a regular basis and the CEO serves as the chair of the Executive Team. The Executive Team prepares the Huuuge Group's strategic and annual planning, supervises the implementation of plans and financial reporting, and assists in processes related to significant investments as well as mergers and acquisitions.

The current composition of the Executive Team is as follows:

- Wojciech Wronowski, Chief Executive Officer
- Erik Duindam, President and Chief Operating Officer
- Marek Chwałek, Executive Vice President of Finance
- Maciej Hebda, Senior Vice President, Strategy & Planning

The following changes occurred in the Executive Team during 2023. On September 18, 2023, (i) Mr. Wojciech Wronowski who was serving as the Chief Operating Officer was appointed the Chief Executive Officer, (ii) Mr. Erik Duindam who was serving as the Chief Technology Officer was appointed the President and Chief Operating Officer. Biographies of the members of the Executive Team are posted on our website ir.huuugegames.com.

President and Chief Operating Officer
Subject to the supervisory powers of the CEO (if the CEO is an officer other than the President), and subject to such supervisory powers and authority as may be granted by the Board of Directors to the Chairman of the Board, and/or to any other officer, the President has general powers of supervision, direction, and control of the business of Huuuge, Inc. and sees that all orders and resolutions of the Board of Directors come into effect.

The Chief Operating Officer ("**COO**") is responsible for the day-to-day operations and administrative functions of a company. This includes overseeing various departments, ensuring smooth workflow, driving operational efficiencies, and implementing strategies to improve business performance.

On September 18, 2023, Mr. Erik Duindam, who was thus far serving as the Chief Technology Officer (not being a formal officer of the Company), was appointed the President and Chief Operating Officer.

Treasurer
The Treasurer keeps and maintains, or causes to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Company. The Treasurer deposits the funds of the Company in its name and to its benefit and disburses such funds as may be directed by the Board of Directors. He or she provides to the Chairman of the Board, the Chief Executive Officer and to the Board of Directors, whenever requested, an overview of the financial condition of the Company and of his or her transactions as Treasurer. He or she performs all duties relevant for the Treasurer and such other duties as may be set out by the Board of Directors, the Chief Executive Officer or theBylaws.

On September 18, 2023 Mr. Marek Chwałek, who was serving as Executive Vice President of Finance (not being a formal officer of the Company), was appointed the Treasurer.

Secretary
The Secretary attends all sessions and keeps minutes of all meetings and records all votes of the Board of Directors, the stockholders, and any standing committee, in the relevant books provided for that purpose, maintains the Company's books, records and stock registers, and certifies the Company's records. He or she ensures the giving and serving of all notices of meetings of the stockholders and of the Board of Directors. He or she performs all duties relevant for the Secretary and such other duties as may be set out by the Board of Directors, the Chief Executive Officer, by the President or by the Bylaws.

On August 2, 2023 Mr. Yehoshua Gurtler stepped down from the position of Secretary and Mr. Anton Gauffin performed temporarily the function of Secretary until a successor Secretary was appointed. On September 18, 2023, Ms Monika Kierepa, who served as the Company's General Counsel at the time was appointed as the Secretary.

Auditor

The election of an independent auditor to audit the financial statements of the Group is one of the powers of the Company's Board of Directors. On February 5, 2021, the Company's Board of Directors adopted a "Policy for selecting and appointing an audit firm to audit the financial statements of Huuuge, Inc. and the Huuuge, Inc. Group". Once cooperation between the

Company and the appointed audit firm has ended, the selection and appointment of another audit firm will be subject to the provisions of the aforementioned Policy.

On June 24, 2021 the Board approved the appointment of PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp. k. (“**PwC**”) as auditor for the consolidated financial statements and the separate financial statements of Huuuge, Inc. for the year ended December 31, 2021. The final contract with PwC was signed on July 30, 2021.

On February 1, 2022 the Board approved the appointment of PwC as auditor for the consolidated financial statements and the separate financial statements of Huuuge, Inc. for the year ended December 31, 2022 and for the year ended December 31, 2023. The final contract with PwC was signed on July 8, 2022.

There were no services performed by PwC for the Company other than audit services, including standard tax compliance services. The remuneration of the auditor has been described in Note 25 of the Consolidated Financial Statements.

As announced in our Current Report 9/2024 dated February 6, 2024, the Board of Directors appointed Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. (“**EY Poland**”) as auditor for the consolidated financial statements and the separate financial statements of the Company for the annual periods from January 1, 2024 to December 31, 2027.

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 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". Our new games may also attract players away from our existing games, especially when they provide similar gameplay features with an upgraded user interface or new social elements. Furthermore, we cannot ensure that new features or upgrades to our existing games will attract new players or allow us to retain existing ones.

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. Achieving growth in our community of players may also require us to increasingly engage in sophisticated and costly sales and marketing efforts that may not result in additional players.

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 above and beyond the level of free features provided as part of the game, e.g., they purchase virtual currency beyond the amount made available for free, or if they otherwise engage with our games in ways generating revenue. 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. To retain paying players, we must devote significant resources to, for example, marketing and data analytics, in order to individualize offers provided to our players so that the games they play retain their interest and attract them to our other games.

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 acquire the right profile of a player, thereby negatively affecting our ability to undertake large-scale user acquisition and maintain existing campaign performance and payback periods. In response, we have been actively lowering spend levels to maintain and/or improve our payback periods. This has had an impact on our revenue dynamics. Whilst IDFA changes were introduced in April 2021 with iOS 14.5, the ATT framework was present on a majority of iOS devices only from H2 2021 onwards. 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. We expect that this concentration will continue in the future. 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 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. This dependence is expected to continue.

We are highly dependent on distribution platforms when offering our games to players. Any adverse changes in our existing arrangements with these third parties, 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. Changes to third parties' policies or terms of service 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 over the long run 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. Also some of the hardware and software introduced might not receive wider acceptance across some of our key markets. 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 quality control 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 commercially reasonable terms, or at all. 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.

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 industry standards and 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, errors, bugs or other 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.

Moreover, the market of new technologies is one that is developing rapidly. Therefore, we conduct ongoing monitoring of new technologies and IT solutions in order to quickly adapt to the solutions introduced to the market. The failure to analyze or implement 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 in the future explore, and have in the past carried out, acquisitions to strengthen our market position in selected game genres and grow our game development talent. 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. In addition, acquisitions and integration 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 on unfavorable terms 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.

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 risk of cyber-attacks, which could 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.

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. See also “Key Factors Affecting Our Results of Operations and Market Trends”.

For further information on the Group’s exposure to foreign exchange rate volatility for the most significant currencies, see Note 7 to our Consolidated Financial Statements for full year 2023.

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. The loss of any of these individuals could harm our business. 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 (from which we derive the majority of our revenue), is considered to be a highly competitive and rapidly evolving industry with 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 5% of Huuuge's 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 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 of 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 further 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; Amsterdam, Netherlands; Helsinki, Finland, 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, 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 Russian invasion of Ukraine is likely to present obstacles to our collaboration with entities located in Ukraine with which we have commercial relationships. We are constantly reviewing the circumstances affecting our partners and taking available and appropriate measures to mitigate the potential impact on our operations, as well as assist our partners where possible. The international sanctions imposed on Russia 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.

Best practices

Since February 19, 2021, the Company has been subject to and has applied WSE Best Practices, except for the principles that cannot be adhered to or that are impracticable due to the differences between the US and Polish legal system or where this contradicts the provisions of Delaware or US federal law.

During the fiscal year ending December 31, 2023, the Company complied with the principles of corporate governance included in the document „Best Practices WSE Huuuge," according to a statement posted on the website: https://ir.huuugegames.com/best-practices.

During the fiscal year ending December 31, 2023. The Company did not comply with the following corporate governance principles:

1. DISCLOSURE POLICY, INVESTOR COMMUNICATIONS

1.3. Companies integrate ESG factors in their business strategy, including in particular:

1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;

This principle is not applied.

The company has an ESG committee that addresses these issues and is working on the ESG strategy, which will include environmental factors.

1.4. To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial ESG information concerning the strategy should among others:

This principle is not applied.

To ensure quality communication with stakeholders, the Issuer publishes the assumptions of its business strategy, including strategic goals and development directions, on its website. Progress in implementing this strategy, including a description of significant achievements and setbacks, is presented in the Company's financial reports. In addition, progress in the strategy is commented on by management during earnings conferences. The Issuer does not include all ESG factors in its business strategy.

1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

This principle is not applied.

The company has an ESG committee that addresses climate change among other issues. The ESG committee, together with the Board of Directors, will examine the extent to which, given the nature of the company's business, consideration of these factors in decision-making is appropriate, both for the interests of the company and the environment. The ESG committee is working on including climate change issues in the company's reporting.

1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

This principle is not applied.

The Issuer does not publish equal pay index data. The Issuer hires and remunerates its employees on the basis of their competences, experience and knowledge, without any gender discrimination. There is an internal working group at the Issuer that addresses issues of Diversity, Equity and Inclusion, including with respect to remuneration.

2. MANAGEMENT BOARD, SUPERVISORY BOARD

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to the gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

This principle is not applied.

Although the Issuer does not have a formal diversity policy in place, the Issuer takes diversity goals into consideration when developing the Company's strategy and plans. The global management does monitor various diversity indices and takes a proactive approach to improve them and assure, among others, equitable representation of genders at all levels of the Company.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among other things in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

This principle is not applied.

See explanation to point 2.1. above.

2.7. A company's management board member may sit on the corporate bodies of companies other than members of its group subject to the approval of the supervisory board.

This principle is not applied.

According to the Issuer's Certificate of Incorporation, the consent of the Board of Directors is not required for the CEO, President (or any Director or Officer) to sit on the management or supervisory board of companies other than members of the Issuer's group. The Issuer maintains a Conflict of Interests policy designed to prevent conflicts of interest at all levels.

2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.1. information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

The principle is not applied.

This information is included in the annual report. However, the Issuer is incorporated in Delaware and has one governing body, the Board of Directors, which approves the annual report (unlike in Polish companies). Accordingly, in the Company's opinion, presenting the aforementioned parts of the annual report is impracticable at the annual general meeting due to differences between the Polish and US legal systems.

2.11.2. summary of the activity of the supervisory board and its committees;

The principle is not applied.

This information is included in the annual report. However, the Issuer is incorporated in Delaware and has one governing body, the Board of Directors, which approves the annual report (unlike in Polish companies). Accordingly, in the Company's opinion, presenting the aforementioned parts of the annual report is impracticable at the annual general meeting due to differences between the Polish and US legal systems.

2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;

The principle is not applied.

This information is included in the annual report. However, the Issuer is incorporated in Delaware and has one governing body, the Board of Directors, which approves the annual report (unlike in Polish companies). Accordingly, in the Company's opinion, presenting the aforementioned parts of the annual report is impracticable at the annual general meeting due to differences between the Polish and US legal systems.

2.11.4. assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;

The principle is not applied.

This information is included in the annual report. However, the Issuer is incorporated in Delaware and has one governing body, the Board of Directors, which approves the annual report (unlike in Polish companies). Accordingly, in the Company's opinion, presenting the aforementioned parts of the annual report is impracticable at the annual general meeting due to differences between the Polish and US legal systems.

2.11.5. assessment of the rationality of expenses referred to in principle 1.5;

The principle is not applied.

This information is included in the annual report. However, the Issuer is incorporated in Delaware and has one governing body, the Board of Directors, which approves the annual report (unlike in Polish companies). Accordingly, in the Company's opinion, presenting the aforementioned parts of the annual report is impracticable at the annual general meeting due to differences between the Polish and US legal systems.

2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

The principle is not applied.

The Issuer does not have a formal diversity policy, please refer to explanation to principle 2.1.

3. INTERNAL SYSTEMS AND FUNCTIONS

3.4. The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.

The principle is not applied.

In reference to the internal audit team, this principle is fully applied. In respect to the risk management functions, the processes were internalized in the middle of 2023 and the remuneration of respective personnel members was not yet adapted in accordance with the principle. The Company intends to adapt the remuneration system of risk management & compliance personnel in 2024 to fully comply with the principle.

3.5 Persons responsible for risk and compliance management report directly to the president or other member of the management board.

This principle is not applied.

The Issuer has a one-tier management structure; therefore, the principle regarding members of the management board does not apply directly to the Issuer. The Issuer is incorporated in Delaware and has one governing body, the Board of Directors. Person responsible for risk management reports directly to the Senior Director of Accounting, Reporting and Internal Control and indirectly to EVP Finance, a member of the executive management team and Issuer's Officer. The person responsible for compliance management reports to the General Counsel, an Issuer's Officer.

3.6 The head of internal audit reports organizationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

This principle is not applied.

The Issuer has a one-tier management structure; therefore, the principles regarding members of the management board do not apply directly to the Issuer. The Issuer is incorporated in Delaware and has one governing body, the Board of Directors. The Head of Internal Audit was appointed by and reports to the Audit Committee of the Board of Directors and administratively reports to the EVP Finance, who is a member of the executive management team and Issuer's Officer.

3.7. Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.

The principle is not applied.

The positions responsible for risk and compliance management and internal audit are group-wide positions. Please refer to comments to points 3.4 to 3.6 for reference.

4. GENERAL MEETING, SHAREHOLDER RELATIONS

4.12 Resolutions of the General Meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorize the competent body to set the price prior to the subscription right record date within a timeframe necessary for investors to make decisions.

This principle is not applied.

The Issuer is a Delaware corporation and, accordingly, the provisions of the Commercial Companies Code do not apply. The shares are issued by the Board of Directors within the authorization of the Certificate of Incorporation.

4.14. Companies should strive to distribute their profits by paying out dividends. Companies may retain all their earnings

subject to any of the following criteria:
a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;
b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;
c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;
d) the company generates insufficient cash flows to pay out dividends;
e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;

f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

The principle is not applied.

The Issuer is incorporated under the laws of Delaware and is listed on the Warsaw Stock Exchange. The legal framework underlying such status results in the Issuer considering alternative profit distribution mechanisms like share buybacks in lieu of dividend payments as they have similar economic effects. Decisions to distribute dividends or conduct share buybacks are made by the Board of Directors after considering the financial standing, cashflows and economic environment on a case-by-case basis.

6. REMUNERATION

6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account the additional workload on the committee.

This principle is not applied.

The Issuer does not have a supervisory board. Although the main part of the non-executive directors' remuneration consists of a fixed annual salary and an additional salary for holding the positions in Board Committees (if any), they are additionally remunerated for participating in board meeting so, technically, small part of their remuneration is dependent on the number of meetings held.

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.

Diversity policy

In 2022 the Company established an internal working group to address issues of Diversity, Equity and Inclusion, including with respect to remuneration. One of the matters to be addressed by the working group is the preparation of a group-wide diversity policy and the works on the policy are continuing as of the date of approval of this Annual Report for publication.

Related parties

Transactions between the Company and its subsidiaries on non-market terms

There were no transactions between the Company and its subsidiaries on non-market terms during the year 2022 and 2023.

Transactions between the Company and its subsidiaries are described in Note 18 of the Separate Financial Statements for 2023.

Loan financing transactions in the Group

On March 7, 2023, loan agreements were signed between subsidiaries wholly owned by Huuuge Inc. and the two members of the Group Executive Management team. Based on the agreements, the two members of the Group Executive Management team received the loans in the total amount equivalent to USD 213 thousand, both for a six-month period at 5.5% interest rate, which have been fully repaid as at December 31, 2023.

Transactions between the Company and its shareholders

On July 4, 2023, Anton Gauffin (through Big Bets OÜ) and Raine Group (through RPII HGE LLC), sold 7,906,705 shares in total under the Share Buy-back amounting to USD 69,268 thousand.

Transactions between the Company and the Board of Directors

On July 4, 2023, Anton Gauffin (through Big Bets OÜ) and Raine Group (through RPII HGE LLC), sold 7,906,705 shares in total under the Share Buy-back amounting to USD 69,268 thousand.

Except for the transactions mentioned above and in the section "Agreements with Board of Directors", i.e. the remuneration paid by the Issuer to members of the Board of Directors and shares and share options held by members of the Board of Directors, there were no other transactions between the Issuer and the members of the Board of Directors.

Transactions concluded between the Subsidiaries and related parties

Except for the transactions mentioned below, in the year ended December 31, 2023, the Subsidiaries did not conclude any transactions with related parties of the Company other than the Subsidiaries.

Rules for amending the issuer's certificate of incorporation

The Certificate of Incorporation can be amended or repealed in the manner prescribed by the laws of the State of Delaware and all rights conferred upon shareholders are granted subject to this reservation. Under the Certificate of Incorporation, the following provisions in the Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, directly or indirectly, only by an affirmative vote of the holders of at least 66 and 2/3% of the voting rights of the Company's outstanding shares: Article V, Article VI, Article VII, Article VIII, Article IX, Article X and Article XI.

The Company's Board of Directors is authorized to adopt, amend or repeal the Bylaws without the assent or vote of the shareholders. The affirmative vote of the holders of at least 66 and 2/3% of the voting power of the Company's outstanding shares shall be required in order for the Company's shareholders to alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

As long as at least one Series A Preferred Share or one Series B Preferred Share is issued and outstanding, the Corporation shall not amend, alter, or repeal any provisions of the Certificate of Incorporation or Bylaws concerning rights of the holders of the Series A Preferred Shares or holders of the Series B Preferred Shares, without the written consent or affirmative vote of the holders of at least a majority of the then outstanding Series A Preferred Shares and Series B Preferred Shares.

Changes in the basic principles of management

The Issuer did not make any changes to the basic principles of management of the Issuer's enterprise and its Group.

Identification of significant court cases

As at the date of approval of this Annual Report for publication , the Company 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 (ie. 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. Oral arguments for the motions took place on February 26, 2024, and the court has not issued a ruling on the motions as of the date of approval of this Annual Report for publication. As of the date of approval of these Annual Report for publication, 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 May 18, 2023, the Company received a demand for arbitration, alleging that the Company’s social casino games are unlawful gambling under Kentucky law. The claimant seeks no monetary damages, only declaratory relief. However, if the arbitrator grants the requested declaratory judgments, the claimant may file a civil class action and seek 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 (ie. May 18, 2018) until the case is resolved. An arbitrator has been appointed, and the first preliminary management hearing with the arbitrator was held on January 18, 2024. 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. As of the date of approval of these Annual Report for publication, to the best of the Company's knowledge, the arbitration 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. As of the date of approval of these Annual Report for , 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 settlement is subject to the approval by the relevant court, thus there is no certainty that any such settlement will be finally consummated. 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 December 31, 2023 and as of the date of approval of the Annual Report for publication.

- 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 all amounts paid by Kentucky residents to the Company in those games during the period beginning five years before the filing of the demand (ie. June 28, 2018) until the case is resolved. An arbitrator has not yet been appointed. 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. As of the date of approval of these Annual Report for publication, to the best of the Company's knowledge, the arbitration is not expected to have a material impact on the Company's operations, financial condition or cash flows.

- On July 25, 2023, a claimant filed a demand for arbitration alleging that the Company’s social casino games are unlawful gambling under Ohio law. The claimant seeks to recover all amounts they paid to the Company in those games during the period beginning two years before the filing of the demand (ie. July 25, 2021) until the case is resolved. The arbitration is in preliminary stages. 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. As of the date of approval of this Annual Report for publication, to the best of the Company's knowledge, the arbitration is not expected to have a material impact on the Company's operations, financial condition or cash flows.

- On July 25, 2023, a claimant filed a demand for arbitration alleging that the Company’s social casino games are unlawful gambling under Massachusetts law. The claimant seeks to recover all amounts they paid to the Company in those games during the period beginning three years before the filing of the demands (ie. July 25, 2020) until the case is resolved. The arbitration is in preliminary stages. 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. As of the date of approval of this Annual Report for publication, to the best of the Company's knowledge, the arbitration is not expected to 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 (ie. 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. On January 22, 2024 plaintiff filed an amended complaint substituting Huuuge Global Limited as defendant in place of the Company, and a motion to remand the case back to the state circuit court. As of the date of approval of this Annual Report for publication, 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 December 31, 2023, or as at the date of approval of this Annual Report for publication, a party to any significant court or arbitration proceedings or before any public authority.

GLOSSARY

ARPDAU	Average revenue per daily active user
ARPPU	Average revenue per paying user
DAU	The number of individual users who played a game on a particular day
DPU	The number of players (active users) who made a purchase on a given day
eCPI	Cost of one Install in a given period (including installs acquired from paid channels as well as installs not directly related to paid user acquisition channels)
Free-to-play	A games sales model where the game is downloaded by the user for free, and its creators earn money through in-app advertising or in-app purchases (players purchase in-game items, skills, experience points, etc.)
Casual games	A type of game designed for players with the following features: (i) as a general rule, not feeling the need or not being able to spend a significant amount of time playing, (ii) not needing to improve their gaming skills in a significant way, iii) preferring relatively simple and easy-to-learn game mechanisms
Social casino games	The type of games in which a player can play a certain number of slot machines; the player also has the opportunity to participate in other casino games
Live events	Real-time events, promotions and special offers enabling players to win additional prizes or to improve gameplay
Live Ops	Activities aimed at increasing the player engagement, including by adding new features to games, recurring and one-off virtual events in which players can participate, and active management of promotions within the game
LTV	Life-Time Value – estimated total revenue generated from a model player
MAU	The number of individual users who played a game during a particular month
Monthly Conversion	The percentage of MAU that made at least one purchase in a month during the same period.
In-app purchases	In-app purchases Payments made by users after downloading a game, in connection with the purchase of additional game features. Can be made through various non-cash payment instruments (e.g. payment card, transfer), various electronic channels (e.g. e-banking, mobile phone) or using payment service providers (e.g. PayPal)
Monetization	The process of generating revenue from games through, among other things, in-app purchases and in-app advertising
MPU	The number of players (active users) who made a purchase at least once in a given month
Retention	The number of users who continued to use the game after a certain period of time after downloading the application
RTB	Real-Time Bidding - it refers to the practice of buying and selling ads in real time on a per-impression basis in an instant auction
User acquisition	The process of acquiring users through paid campaigns or promotional offers

BOARD OF DIRECTORS' STATEMENTS

Pursuant to the requirements of the Regulation of the Minister of Finance of March 29, 2018 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:

- to the best of its knowledge, the annual financial statements and the comparative information were prepared in accordance with the currently effective accounting principles, and they reflect in a true, fair and clear way the financial position results of the Company, and the Board of Directors' report on activities contains a true image of the Company's development, achievements and standing, including description of basic risks and threats;
- within the scope of its competences, the Board of Directors supervised the process of preparing the annual financial statements and the comparative information and the Board of Directors' report on activities for the year ended December 31, 2023;
- the selection of the audit firm conducting the audit of the annual financial statements has been made in accordance with the applicable regulations, including the selection and procedure for the selection of an audit firm;
- the audit firm and the members of the audit team met the conditions for preparing an impartial and independent audit reports on the annual financial statements in accordance with applicable regulations, professional standards and professional ethics;
- it adopted a policy governing the selection of an audit firm and a policy governing the provision of additional non-audit services to the issuer by an audit firm, its related parties and members of its network, including services conditionally exempt from the prohibition on being provided by an audit firm;
- the Company complies with the applicable regulations related to the rotation of the audit firm and the key statutory auditor and mandatory grace periods;
- the Company observes regulations that govern the appointment, composition and operations of the Audit Committee, including in particular the fulfillment of independence criteria by its members and requirements concerning knowledge and skills related to the industry in which the issuer operates, as well as to accounting or the audit of financial statements;
- the audit committee performed the tasks of the audit committee provided for in the applicable regulations;
- because of the Company's monistic corporate governance system, the Company does not have a separate supervisory body within the meaning of § 70 (1) (14) and § 71 (1) (12) of the Regulation of the Minister of Finance of March 29, 2018 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 (Journal of Laws of 2018, item 757). The Board of Directors has positively evaluated the financial statements and the consolidated statements in terms of their conformity with the books and documents as well as with the facts. The Company's Board of Directors assessed the aforementioned statements after reviewing their content, as well as information from the Company's independent auditor and the Audit Committee of the Board of Directors, which included: i) the independent auditor's report on the audit of the Company's financial statements for the fiscal year 2023, ii) the independent auditor's report on the audit of the Company's consolidated financial statements for fiscal year 2023 and iii) presentation of the auditor to the Audit Committee of the Board of Directors and the meetings of the Audit Committee with the representatives of the auditor, including the key registered auditor, followed by a recommendation of the Audit Committee of the Board of Directors with respect to an evaluation of the financial statements and the consolidated financial statements. In view of the above, the Board of Directors has made a positive assessment of the said financial statements. Due to the Company's monistic corporate governance system, the Board of Directors cannot make the declarations referred to in § 70 (1) (14) and § 71 (1) (12) of the Regulation of the of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and on conditions, regarding the issuer's management report and the issuer's group management report, as the Board of Directors is itself responsible for the equivalent of the aforementioned reports (Board of Directors' report on activities), which was prepared jointly for the Company and the Group;

- the Company, being a Delaware-incorporated company, is not subject to the obligation to prepare a statement of non-financial information designated by Section 49b (1) of the Polish Accounting Act (Journal of Laws of 2023, item 120, 295, 1598) and § 70 paragraph 1 point 5) and § 71 paragraph 1 point 5) of the Regulation of the Minister of Finance of March 29, 2018, 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 (Journal of Laws of 2018, item 757).

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

Anton Gauffin

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Anton Gauffin

Executive Chairman of the Board

Unanimous Written Consent of the Board of Directors of Huuuge, Inc.

March 11, 2024

The undersigned, being all of the members of the Board of Directors (the "**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 (the "**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, Marek Chwałek, have presented to the Board the consolidated financial statements of the Company for the full year period ended December 31, 2023 ("**Consolidated Financial Statements**"), the separate financial statements of the Company for the full year period ended December 31, 2023 ("**Separate Financial Statements**") and the annual report for the full year ended December 31, 2023 (including certain representations of the Board to this report which are included therein in the document titled "Board of Directors' Statements") ("**Annual Report**" and together with the Consolidated Financial Statements and Separate Financial Statements, the "**Reports**") as attached herein as Exhibit A to this Board Consent; and
- **Whereas**, the Company desires to approve and publish the Reports;
- **Whereas**, the Board is required to make certain representations within the Annual Report and intends to give Mr. Anton Gauffin authorization to give such representations by executing them in the Annual Report;
- **Whereas**, the Board has reviewed the Reports and intends with this Board Consent to give to Mr. Wojciech Wronowski and Mr. Marek Chwałek, each individually, authorization to issue and execute the Reports on behalf of the Company.
- **Now, Therefore,** it being in the best interest of the Corporation, it is hereby:
- **Resolved**, that the Reports substantially in the form attached herein as Exhibit A to this Board Consent are hereby approved and Mr. Wojciech Wronowski and Mr. Marek Chwałek, each individually, is authorized to issue and execute the Reports on behalf of the Company as the Company's representative;
- **Resolved further**, that Mr. Anton Gauffin is authorized to execute on behalf of the Company certain representations being part of the Annual Report as set forth in the form attached herein as 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 execution of the modification, provided that notice is provided to the Board of any changes to the representations that deviate from Exhibit A in a reasonable time after the representations have been executed);
- **Resolved further**, that Mr. Wojciech Wronowski and Mr. Marek Chwałek, each individually, is authorized to execute on behalf of the Company the Reports substantially in the form attached herein as Exhibit A to this Board Consent, but with such changes and additions as Mr. Wojciech Wronowski or Mr. Marek Chwałek 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. Wojciech Wronowski's or Mr. Marek Chwałek's or his or their designee's execution of the modification, provided that notice is provided to the Board of any changes to the Reports that deviate from Exhibit A in a reasonable time after the Reports have been executed);
- **Resolved further**, that Mr. Wojciech Wronowski and Mr. Marek Chwałek, each individually, or their designee, as an authorized representative of the Company, is individually further authorized and directed to file the Reports, 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. Wojciech Wronowski and Mr. Marek Chwałek 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 of 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 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 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

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