



# The Huuuge, Inc. Group Consolidated Financial Statements

as at and for the year ended December 31, 2025

prepared in accordance with International Financial Reporting Standards  
as adopted by the European Union

**HUUUGE**

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## Consolidated statement of comprehensive income

	Note	Year ended December 31, 2025	Year ended December 31, 2024
<b>Revenue</b>	3	235,565	250,823
Cost of sales	4	(55,681)	(69,005)
<b>Gross profit on sales</b>		<b>179,884</b>	<b>181,818</b>
Sales and marketing expenses:	4	(48,568)	(52,942)
<i>thereof, User acquisition marketing campaigns</i>	4	(31,946)	(38,887)
<i>thereof, General sales and marketing expenses</i>	4	(16,622)	(14,055)
Research and development expenses	4	(17,782)	(22,209)
General and administrative expenses	4	(28,385)	(31,291)
Other operating income/(expense), net		(953)	(4,468)
<b>Operating result</b>		<b>84,196</b>	<b>70,908</b>
Finance income	6	6,821	7,146
Finance expense	6	(3,005)	(269)
<b>Profit before tax</b>		<b>88,012</b>	<b>77,785</b>
Income tax	8	(14,916)	(12,433)
<b>Net result for the year</b>		<b>73,096</b>	<b>65,352</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Exchange gains/(losses) on translation of foreign operations		5,300	(2,541)
<b>Total other comprehensive income/(loss)</b>		<b>5,300</b>	<b>(2,541)</b>
<b>Total comprehensive income for the year</b>		<b>78,396</b>	<b>62,811</b>
<b>Net result for the period attributable to:</b>			
owners of the Parent		73,096	65,352
<b>Total comprehensive income for the period attributable to:</b>			
owners of the Parent		78,396	62,811
<b>Earnings per share (in USD)</b>			
basic	7	1.38	1.12
diluted	7	1.34	1.12

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

## Consolidated statement of financial position

	Note	As at December 31, 2025	As at December 31, 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,553	2,254
Right-of-use assets	18	2,978	4,847
Goodwill	16	2,712	2,408
Intangible assets	9	3,949	7,780
Deferred tax assets	8	2,003	4,973
Long-term investments	10	-	500
Long-term lease receivables	18	-	1,149
Other long-term assets		2,271	1,927
<b>Total non-current assets</b>		<b>15,466</b>	<b>25,838</b>
<b>Current assets</b>			
Trade and other receivables	11	28,383	29,702
Short-term lease receivables	18	1,328	1,169
Corporate income tax receivable		1,467	2,301
Other short-term financial assets	12	8,074	2,465
Cash and cash equivalents	13	100,568	141,840
<b>Total current assets</b>		<b>139,820</b>	<b>177,477</b>
<b>Total assets</b>		<b>155,286</b>	<b>203,315</b>
<b>Equity</b>			
Share capital	14	1	1
Treasury shares	14	(15,180)	(15,720)
Other reserves	14	(42,690)	78,886
Employee benefit reserve	15	31,618	29,234
Foreign exchange reserve		2,033	(3,267)
Retained earnings		156,772	83,676
<b>Total equity</b>		<b>132,554</b>	<b>172,810</b>
<i>Equity attributable to owners of the Company</i>		<i>132,554</i>	<i>172,810</i>
<b>Non-current liabilities</b>			
Long-term lease liabilities	18	522	3,609
Other long-term liabilities		401	355
<b>Total non-current liabilities</b>		<b>923</b>	<b>3,964</b>
<b>Current liabilities</b>			
Trade and other payables	17	13,135	11,426
Deferred income	3,17	1,993	1,879
Corporate income tax liabilities		1,172	7,594
Short-term lease liabilities	18	3,974	3,942
Provisions	19	1,535	1,700
<b>Total current liabilities</b>		<b>21,809</b>	<b>26,541</b>
<b>Total equity and liabilities</b>		<b>155,286</b>	<b>203,315</b>

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

## Consolidated statement of changes in equity

Equity attributable to owners	Note	Share capital	Treasury shares	Other reserves	Employee benefit reserve	Retained earnings	Foreign exchange reserve	Equity
<b>As at January 1, 2025</b>		<b>1</b>	<b>(15,720)</b>	<b>78,886</b>	<b>29,234</b>	<b>83,676</b>	<b>(3,267)</b>	<b>172,810</b>
Net profit/(loss) for the year		-	-	-	-	73,096	-	73,096
Other comprehensive income - foreign currency exchange gains/(losses)		-	-	-	-	-	5,300	5,300
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,096</b>	<b>5,300</b>	<b>78,396</b>
Exercise of stock options	14,15	0**	540	(398)	-	-	-	142
Employee share schemes - value of employee services	15	-	-	-	2,384	-	-	2,384
Transaction costs related to SBB program*	14	-	(1,179)	-	-	-	-	(1,179)
Repurchase of common shares under Share Buyback Scheme ("SBB")	14	0**	(119,999)	-	-	-	-	(119,999)
Retirement of shares purchased during the Share Buyback Scheme ("SBB")	14	-	121,178	(121,178)	-	-	-	-
<b>As at December 31, 2025</b>		<b>1</b>	<b>(15,180)</b>	<b>(42,690)</b>	<b>31,618</b>	<b>156,772</b>	<b>2,033</b>	<b>132,554</b>

\* Transaction costs related to the Share Buyback ("SBB") program include directly attributable costs incurred before December 31, 2025, including excise tax on certain repurchases of shares by corporations, recognized as a deduction from equity. The change of trade and other payables presented in the consolidated statement of financial position as at December 31, 2025 does not equal the change in the consolidated statement of cash flows for the year ended December 31, 2025. The difference of USD 351 thousand is due to 728 thousand the transaction costs related to SBB, presented in the cash flows from financing activities in the consolidated statement of cash flows, which were not paid as at December 31, 2025 and USD 377 thousand to the transaction costs related to SBB 2024 which were paid in year 2025.

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

The Group has renamed the equity component previously presented as "Supplementary capital" to "Other reserves" to better align with industry practice; this change represents a reclassification in name only and does not reflect any change in the nature, purpose, or valuation of the underlying category.

Equity attributable to owners	Note	Share capital	Treasury shares	Other reserves	Employee benefit reserve	Retained earnings	Foreign exchange reserve	Equity
<b>As at January 1, 2024</b>		<b>1</b>	<b>(16,652)</b>	<b>150,364</b>	<b>25,749</b>	<b>18,324</b>	<b>(726)</b>	<b>177,060</b>
Net profit/(loss) for the year		-	-	-	-	65,352	-	65,352
Other comprehensive income - foreign currency exchange gains/(losses)		-	-	-	-	-	(2,541)	(2,541)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,352</b>	<b>(2,541)</b>	<b>62,811</b>
Exercise of stock options	14,15	0**	932	(646)	-	-	-	286
Employee share schemes - value of employee services	15	-	-	-	3,485	-	-	3,485
Transaction costs related to SBB program*	14	-	(832)	-	-	-	-	(832)
Repurchase of common shares under Share Buyback Scheme ("SBB")	14	(0)**	(70,000)	-	-	-	-	(70,000)
Retirement of shares purchased during the Share Buyback Scheme ("SBB")	14	-	70,832	(70,832)	-	-	-	-
<b>As at December 31, 2024</b>		<b>1</b>	<b>(15,720)</b>	<b>78,886</b>	<b>29,234</b>	<b>83,676</b>	<b>(3,267)</b>	<b>172,810</b>

\* Transaction costs related to the Share Buyback ("SBB") program include directly attributable costs incurred before December 31, 2024, including excise tax on certain repurchases of shares by corporations, recognized as a deduction from equity. The change of trade and other payables presented in the consolidated statement of financial position as at December 31, 2024 does not equal the change in the consolidated statement of cash flows for the year ended December 31, 2024. The difference of USD 377 thousand is due to the transaction costs related to SBB, presented in the cash flows from financing activities in the consolidated statement of cash flows, which were not paid as at December 31, 2024.

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

The Group has renamed the equity component previously presented as "Supplementary capital" to "Other reserves" to better align with industry practice; this change represents a reclassification in name only and does not reflect any change in the nature, purpose, or valuation of the underlying category.

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

## Consolidated statement of cash flows

	Note	Year ended December 31, 2025	Year ended December 31, 2024
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax		88,012	77,785
<b>Adjustments for:</b>			
Depreciation and amortization	4	8,469	9,202
Finance (income)/expense, net	6	(2,837)	(7,703)
Revaluation losses on financial instruments	10	1,000	3,500
Non-cash employee benefits expense - share-based payments	15	2,384	3,485
(Profit)/loss on disposal of property, plant and equipment and derecognition of intangible assets		684	578
<b>Changes in net working capital:</b>			
Other short-term financial assets	12	(4,215)	(2,465)
Trade and other receivables, and other long-term assets	11	417	2,395
Trade and other payables	17	(727)	(9,931)
Provisions		(165)	-
Deferred income	17	114	(592)
Other adjustments		126	34
<b>Cash flows from operating activities</b>		<b>93,262</b>	<b>76,288</b>
Income tax paid		(14,898)	(11,277)
<b>Net cash flows from operating activities</b>		<b>78,364</b>	<b>65,011</b>
<b>Cash flows from investing activities</b>			
Interest received	6	6,454	5,570
Loans granted		(1,359)	-
Sublease payments received	18	1,264	1,108
Software expenditure	9	(641)	(2,282)
Acquisition of property, plant and equipment		(563)	(1,195)
Long-term investments	10	(500)	(4,000)
Interest received from sublease	18	107	166
<b>Net cash flows from/(used in) investing activities</b>		<b>4,762</b>	<b>(633)</b>
<b>Cash flows from financing activities</b>			
Repurchase of common shares under Share Buyback Scheme ("SBB") incl. transaction costs	14	(121,157)	(70,455)
Lease repayment	18	(4,522)	(4,019)
Interest paid	18	(171)	(236)
Exercise of stock options	15	142	286
<b>Net cash flows from/(used in) financing activities</b>		<b>(125,708)</b>	<b>(74,424)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(42,582)</b>	<b>(10,046)</b>
Effect of exchange rate fluctuations and accrued interest		1,310	(224)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>141,840</b>	<b>152,110</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>100,568</b>	<b>141,840</b>

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



# Notes to the consolidated financial statements

**HUUUGE**

## 1. General information

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

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

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

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

\* Huuuge Block Ltd. has ceased its operations and the Board of Huuuge Block Ltd., filed an application to strike off Huuuge Block Ltd on December 4, 2024. On September 12, 2025, the company was dissolved and ceased to exist.

\*\* On March 31, 2025, Playable Platform B.V. entered into voluntary liquidation proceedings. On December 24, 2025, the company was dissolved and ceased to exist.

\*\*\* On March 24, 2025, Double Star Oy entered into voluntary liquidation proceedings. On December 23, 2025, the company was dissolved and ceased to exist.

**The core business activities of the Group include:**

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

The Group's business activities are not subject to significant seasonal or cyclical trends. The Group's business activities are characterized by low environmental impact.

For more information on climate matters, please refer to the Annual report for the twelve-month period ended December 31, 2025. There were no significant risks identified related to climate change.

**Composition of the Company's Board of Directors as at December 31, 2025 and as at the date of signing of these consolidated financial statements**

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

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

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

## 2. Accounting policies

### 1) Basis for preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and were approved on March 19, 2026 by the Board of Directors. The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

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

The functional currencies of the Parent Company and its subsidiaries are presented below:

<b>Name of entity</b>	<b>Functional currency</b>
Huuuge Inc.	US dollar ("USD")
Huuuge Games Sp. z o.o.	Polish zloty ("PLN")
Huuuge Global Ltd	US dollar ("USD")
Huuuge Publishing Ltd	US dollar ("USD")
Huuuge Block Ltd	US dollar ("USD")
Billionaire Games Limited	US dollar ("USD")
Huuuge Digital Ltd	Israeli shekel ("ILS")
Playable Platform B.V.	Euro ("EUR")
Double Star Oy	Euro ("EUR")
Huuuge UK Ltd	Pound sterling ("GBP")

The presentation currency of the consolidated financial statements is USD.

## 2) Key judgements and estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from those estimated. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these consolidated financial statements, the significant judgements and estimates made by management in applying the Group's accounting policies have been consistently applied by the Group and are consistent across the reported periods.

### Model of revenue recognition

#### *Estimate of the progress towards complete satisfaction of the performance obligation*

Management evaluates the most appropriate model for accounting for revenue from micropayments from customers. In gaming applications, in-app purchases concern mostly the immediate purchase of virtual coins (consumable goods), which can be used by the players in the future. The purchase of the virtual coins by the player represents a prepayment for in-game services. The coins do not have an expiry date and players decide when to use them in the game. In principle, providing access to game functionalities in exchange for the redeemed coins is a performance obligation that the Group fulfills over time. The output method is used to measure the progress of satisfaction by the Group of its performance obligation. At the moment when the player purchases the virtual coins, the Group recognizes the contract liability. The amounts recognized as contract liabilities are transferred to revenue in line with the pattern of usage of the coins in the game by the customers. As coin consumption is not tracked on an individual player basis, it is estimated using a cumulative method to determine the average days of usage. According to management's assessment, supported by historical data analysis, coins are generally used within 2 days after purchase (consistently over the years 2025 and 2024).

The Group recognizes a contract liability for any consideration received that is attributable to players' unused coins (i.e., unexercised rights), taking into account the estimated breakage rate (i.e., the percentage of coins not expected to be redeemed) at the end of the reporting period. In management's estimate all coins will be used, therefore the breakage rate is zero. The contract liability is presented in Note 17 *Trade, other payables and deferred income* as deferred income and amounted to USD 1,993 thousand as at December 31, 2025 and USD 1,879 thousand as at December 31, 2024.

Due to the fact that the timing of the use of the coins is at the discretion of the customer the contract does not contain a significant financing component.

Accordingly, the Group defers the related portion of the platform fees paid or payable to distributors as costs to fulfill a contract and recognizes a "Contract cost" asset, presented within the line "Trade and other receivables" in the consolidated statement of financial position. For further information on the accounting for the fees paid/payable to the distributors see below "Agent vs principal considerations in selling the virtual coins and providing access to the games".

#### *Agent vs principal considerations in selling the virtual coins and providing access to the games*

The vast majority of in-app purchases are sold through Application Marketplaces ("Platform Providers") such as Apple App Store, Google Play, Facebook and Amazon App Store. Management has determined that players are the Group's customers, and the Group acts as a principal in its relation to the players. This conclusion is consistent with general industry practices and is supported mainly by the following factors:

- The Group has the ultimate responsibility for fulfilling the promise to provide the game services to customers.
- The players sign off the Group's terms & conditions statements.
- All updates and modifications to the game are performed by the Group.
- The Group sets the prices for virtual coins charged to the end-user and maintains the right to change these prices at any time.

- The Group, as the developer, bears the risk of recovering the development expenditures. The distributors do not pay to the Group any upfront fee independently of the actual sales of the games thus do not take any risk similar to inventory risk.
- The Platforms provide IT infrastructure (hosting service), distribution channels and marketing activities as well as collecting and disbursing cash on behalf of HUUUGE. None of the distributors have an exclusive right to operate a game as the game is available in multiple channels. The distributors do not provide a significant service of integrating the license with other products (features) and do not create the combined output as the installation is a very simple process and it is performed by the end-user (player).

Being a principal, the Group presents in-app revenue on a gross basis.

Platform Providers charge usually 30% fees on the prices paid by the users only when the virtual items are purchased. If there are no purchases of the virtual items, the distributors are not entitled to any commissions. The fees cover all services performed by the Platform Providers, such as granting access to the sales platform, ensuring the relevant IT environment (an ongoing service provided by the Platform Provider) and collecting sales proceeds from the users.

These fees are treated as the costs to fulfill the contract and are recognized as an asset. Contract cost asset is presented within "Trade and other receivables" line item in the consolidated statement of financial position. Those costs are charged to profit/loss over time, matching the pattern of revenue recognition, and are presented in the consolidated statement of comprehensive income in the "Cost of sales". Further accounting policies applied by the Group when recognizing revenue are described in Note 2.3 *Material accounting policies*, point (c) *Revenue*.

#### **Money market mutual funds**

As part of its liquidity management, the Group engages in short-term deposits with various banks and overnight deposits in money market mutual funds, prime market funds and bond funds. Additionally, it invests in Polish state treasury bonds or maintains funds in interest-bearing bank accounts. All institutions or banks must have a high level of creditworthiness, meeting the investment grade criteria as indicated by Moody's ratings. The selected money market and prime funds are open-ended mutual funds that invest in liquid, high-quality debt. This debt consists of government securities, corporate notes, commercial paper, certificates of deposit, repurchase agreements, municipal securities, and bank obligations (rated A3 to Aa2 by Moody's).

A key judgement in applying accounting policies refers to the classification of investments in money market mutual funds as "Cash and cash equivalents" and not as "Other financial assets". The units of the funds held by the Group are short-term, highly liquid, readily convertible to known amounts of cash, and are subject to an insignificant risk of future changes in value, thus they meet the critical criteria indicated in IAS 7 Statement of Cash Flows and have been considered in substance as cash equivalents held for the purpose of meeting short-term cash commitments.

Investments in these money market funds have a determinable market value and they are puttable, with a short notice period. The Group can dispose of the investments in funds at its discretion at any time (same-day access); funds are not closed to a selected group of participants. They are convertible into cash and the cash amount to be received on redemption is known at the time of the investment, because at the time of the initial investment, the risk of changes in value is insignificant. The volatility of changes in fair value, specifically by the level of diversification of the portfolio and its weighted average life of the underlying assets. The exposure to benchmark interest rate risk is also assessed to be low because of the short period of time until the next repricing of the assets held by the fund. These facts support the view that the investment is liquid.

In addition, the Group considered the assets held by the fund to establish whether substantially all of its investments qualify individually as cash and cash equivalents. The consideration referred to all potential investments allowed by the investment rules set for the fund, and not only the assets that the fund holds as of the evaluation date. It was assessed that in general the investments' maturity is less than three months, and thus, investments qualify individually as cash and cash equivalents.

Due to the above, in the management's opinion, the Group's investments in money market funds have the attributes to be considered cash equivalents. This analysis is performed at each reporting period. For details on the funds and their credit ratings, please refer to Note 7 *Financial risk management*, point (b) *Credit risk*. For carrying amounts as at December 31, 2025 and December 31, 2024 please refer to Note 13 *Cash and cash equivalents*.

**Impairment of intangible assets**

As of December 31, 2025 there were no indicators for impairment either for reversal of impairment of intangible assets identified. As of December 31, 2025, the Traffic Puzzle Game was still active and accessible on app stores and continues to generate revenue, with no intentions to invest additional significant resources in user acquisition and development for the title. Annual amortization charge for the years ended December 31, 2025 and December 31, 2024 amounted to USD 1,583 each.

**Estimation uncertainty**

The assumptions made about the future and the major sources of estimation uncertainty refer to the following areas:

*Deferred tax assets and liabilities, in particular the realizability of deferred tax assets*

In order to determine deferred tax assets and deferred tax liabilities, the management is required to make estimates and judgments regarding their valuation and recoverability. A significant management estimate is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The process includes an evaluation of the tax results of every Group entity, under the consideration of local tax laws and regulations, an assessment of the actual tax exposure and of temporary differences as well as assessment of the likelihood that deferred tax assets can be utilized in future periods through generation of taxable profits.

The recognition of a deferred tax asset is based on the assumption that it will be recoverable against future taxable income. Should tax results deteriorate in the future, this assumption may no longer be justified, and the carrying amount of the asset would be reduced accordingly. When accounting for transactions, the Group takes into account uncertainties as to whether its treatment will be accepted by the tax authorities. Estimates used for the recognition of deferred tax assets are reviewed at each reporting date and updated to reflect current factors such as enacted tax rates and the latest expected future tax results of the Group.

For more details on deferred tax assets and liabilities, please refer to Note 2.3 *Material accounting policies*, point (d) *Income tax* and to Note 8 *Income tax*.

**Provisions and contingent liabilities**

Determination of provisions and contingent liabilities is based on management's assessment of the probability of the outflow of resources embodying economic benefits, according to guidelines included in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material.

The Company has become involved in several pending litigations. In each instance, the Management considered the potential outcome of the matter and assessed its impact on the Group's consolidated financial statements, including deliberation on whether provisions should be recognized and, if so, the appropriate quantification thereof. For more details on the Group's litigations please refer to Note 19 *Contingencies*.

**3) Material accounting policies**

The accounting policies applied by the Group in these consolidated financial statements have been consistently applied by the Group and are consistent across the reported periods, unless indicated otherwise (see Note 2.4 *Adoption of new and revised Standards*).

**(a) Basis for consolidation****(i) Subsidiaries**

Subsidiaries are entities controlled by the Parent Company because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. Financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences (date of

acquisition or establishment) until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing these consolidated financial statements. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(iii) Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each statement of comprehensive income are translated at average exchange rates if they are reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, and
- all resulting exchange differences are recognized in other comprehensive income.

**(b) Foreign currency transactions – transactions and balances**

Transactions in foreign currencies are translated to the functional currency of the respective entity (USD is the functional currency of the Parent entity and the presentation currency of the Group) at exchange rates effective on the days of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the applicable closing exchange rates as of the balance sheet date. The foreign exchange rate differences arising on translation of transactions denominated in foreign currencies are recognized in the profit or loss in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost in foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the exchange rates at the date the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**(c) Revenue**

The Group is a game developer that operates free-to-play multiplayer games. The main source of revenue recognized by the Group is from in-app purchases within gaming applications made by the players who wish to buy additional packages of virtual coins for use in the game.

The Group operates under the most popular business model in this industry, in which the Group initially provides access to the hosted underlying license arrangement to all mobile players for free (the player initially obtains a predetermined quantity of the virtual coins for free and may play for free until such coins are redeemed) and generates its revenue from the subsequent sale of a large volume of virtual items (i.e. coins) to the players. By entering into the free of charge play, the player does not have any commitment to purchase any virtual coins, therefore free of charge use of the game does not result in the recognition of revenue.

After agreeing with the terms and conditions of the hosted underlying license arrangement with the Group, players can download the game application to their mobile devices and enjoy playing the game for free in the non-charged and the standalone environment (without purchasing the virtual items) until all free of charge virtual coins held by the player are redeemed through play.

Players can purchase the non-refundable virtual coins for a fixed fee (included in an application) in the game environment to continue playing with a game. These coins are not returnable. The virtual coins do not allow the players to obtain access to additional functions or enhanced environments. They are consumable items which might be immediately consumed by a player or can be multiplied throughout the game when the player is winning. The virtual items do not have an expiry date.

In most cases, the Group is the owner of the application and is fully responsible for all future upgrades and future developments of this game application.

The Group makes the mobile game application available to players mostly through recognized distribution channels provided by third-party distributors, as well as a direct-to-consumer offering (Web store), which for the year ended December 31, 2025, constituted 26% of revenues. The distributors act as the intermediary parties providing IT infrastructure/ distribution channels, and marketing activities, as well as collecting and disbursing cash from the players on behalf of the Group. The revenue recognition model as described below is consistent irrespective of the distribution channels.

In addition, the Group generates revenue from in-app advertising, which is generated by broadcasting advertisements during gameplay.

The Group recognizes revenue from contracts with customers as described below.

#### Revenue from in-app purchases in gaming applications

The vast majority of in-app purchases are sold through Application Marketplaces ("Platform Providers") such as Apple App Store, Google Play, Facebook and Amazon App Store, as well as directly through direct-to-consumer offering (Web store).

Players are determined to be the Group's customers, and the Group acts as a principal in its relation to the players (further information on the judgement in this respect is presented in Note 2.2 *Key judgements and estimates – Model of revenue recognition*).

The Group presents in-app revenue on a gross basis. Platform Providers typically charge 30% commission on the prices paid by the users. This commission covers all services performed by the "Platform Providers" such as granting access to the sales platform, ensuring the relevant IT environment (an ongoing service provided by the Platform Provider) and collecting sales proceeds from the users. These costs meet the definition of costs to fulfill a contract and are recognized as an asset. Contract cost assets are presented in the "Trade and other receivables" line item in the statement of financial position and are amortized on a systematic basis consistent with the expected pattern of transfer of the related goods or services under the contract (as described below). The relevant charge is presented in the consolidated statement of comprehensive income in the "Cost of sales" line.

The game application can be used only with the virtual coins, which are either obtained by the players free of charge (at initial download of application and at regular periodical grants of free coins) or subsequently purchased. The coins do not have any alternative use other than the use in the Huuuge's games and also cannot be exchanged for cash.

Due to the fact that the player cannot benefit from gaming application on its own but only with the virtual coins (either obtained free of charge or purchased) therefore there is only one performance obligation being providing the players with the right to play the game. As long as the player uses only free of charge coins, a contract under IFRS 15 does not exist.

The customer in the in-app purchases downloads the application for free and purchases virtual coins. Management concluded that the purchased virtual coins represent a prepayment for the use of the games thus the hosted underlying license to use an application is the only performance obligation.

The Group provides the players with a right to use virtual coins in the gaming environment. The consideration obtained from the player for the sales of the virtual coins represents a prepayment for the use of the gaming service. Through selling the virtual items, the Group provides access to the game functionalities in exchange for virtual coins consumed by the players. In gaming applications published by the Group in-app purchases concern mostly virtual coins, which players of Group's games can use to play slot games and other casino-like games, as well as casual games.

The Group's management concluded that the Group meets requirements of IFRS 15.35(a) for over time recognition, as players simultaneously receive and consume the benefits of the service, specifically an access to gaming environments and a possibility to play, as the entity makes them available.

According to management's assessment, based on historical data, the virtual coins acquired by the customers are typically consumed in several hours from the purchase moment. Revenues from in-app purchases in gaming applications are recognized

as revenue over the period of expected consumption. The Group recognizes a contract liability for any consideration received that is attributable to the player's estimated unused coins (i.e. player's unexercised rights), taking into account estimated rate of breakage. Such contract liability is presented as "Deferred income" in the statement of financial position. Further information regarding the estimate of the revenue recognized from the contract liability is provided in Note 2.2 *Key judgements and estimates – Model of revenue recognition*.

Revenue is recognized at the amount that reflects the price expected by the Group in exchange for the transfer of the services, which is available in the gaming application and depends on the amount of coins being purchased.

Given the fact that the Group grants players the option to acquire additional virtual items at a price that would reflect the stand-alone selling price for those items, the option does not provide a material right to players. For this reason, the Group accounts for future purchases of virtual items only when players exercise the option to purchase virtual items (the contract liability is recognized at the date of the purchase which is subsequently accounted for as explained above). When the virtual items are granted for players for free (e.g. for promoting purposes), the Group does not recognize neither revenues, nor costs.

#### Revenue from the advertising activities

Revenues from advertising are generated by broadcasting advertisements during gameplay. The Group's management identified one performance obligation, which is display of advertisements in gaming applications. Revenue is recognized over time, in the period in which the advertisements are broadcast. The transaction price is variable and is based on the sales of products by advertisers. The Group recognizes the variable consideration in the month in which the sales transaction which triggers the payment of the fee to the Group has occurred. The consideration is determined based on revenue reports from the ad network indicating the number of products sold and the amount of the consideration due to the Group.

For both revenue streams, i.e. revenue from in-app purchases in gaming applications and revenue from the advertising activities, management assesses that the Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a result, the Group does not adjust any of the transaction prices for the time value of money (the significant financing component). A receivable is recognized when the consideration is unconditional because only the passage of time is required before the payment is due. Revenue is collected not directly from end-users but via distribution platforms that charge their commission for the service. The payment terms with major distribution platforms are described in Note 11 *Trade and other receivables*.

#### **(d) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items are recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, including any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not recognized for temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, that intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized.

Payments received from distributors for sale of virtual items are subject to the withholding taxes paid by the distributors to the tax authorities on behalf of the Group entities as a recipient. As a result, the Group receives the consideration net of taxes deducted at source. The Group's management determined that this withholding tax is an income tax in nature, and it is recognized, measured, and disclosed under the requirements of IAS 12 due to the fact that the gross amount of income received is included in the calculation of taxable profit in the entity's tax computation.

Accordingly, the revenue is recognized at the amount that includes withholding taxes paid to the tax authorities on behalf of the Group, i.e. gross including the amount of the withholding tax. The withholding tax paid is credited against income tax due in the particular jurisdiction in accordance with local regulations.

Huuuge, Inc. is subject to U.S. tax regulations on the global intangible low-taxed income (GILTI) that are applicable to U.S. taxpayers since 2017. The GILTI is a category of income that is earned abroad by U.S.-controlled foreign corporations from easily movable intangible assets, such as IP rights, and this income is subject to special tax treatment under the U.S. tax code. The Group applies the accounting policy to treat U.S. taxes due in relation to GILTI as a current-period expense when incurred. Therefore, the Group does not record the deferred taxes for basis differences expected to reverse as GILTI in future periods.

In addition, starting from 2022, in the United States, Tax Cuts and Jobs Act requires capitalization and amortization of research & development expenses for U.S. federal income tax purposes. As the Group does not capitalize any research or development expenditures for the accounting purposes, this may give rise to the deductible temporary differences related to the R&D expenses. As Huuuge Inc. does not carry out any R&D operations in the US, the deductible temporary differences do not arise locally, and no deferred tax asset is recognized.

However, the tax capitalization rules apply also to R&D expenses incurred in the foreign operations when the income is being computed or reported on a U.S. tax basis. The deferral of R&D expenses for tax purposes affects the computation of GILTI that is accounted for in accordance with the accounting policy indicated above.

#### Tax credits

Starting from 2023, the Group benefits from the tax credits available for research and development expenditures incurred. R&D credits are recognized in the income tax in the year in which the conditions required to obtain the relief are met (qualified expenditure was incurred), regardless of their treatment for the accounting purposes. Unused research and development tax reliefs in particular years, due to the possibility of deducting them in returns for six subsequent tax years, are recognized as deferred tax assets to the extent to which it is probable that income will be available for use in the future.

As at December 31, 2025 and December 31, 2024, there were no tax reliefs that were not used as at the balance sheet date.

#### **(e) Leases**

Management assesses at the time of entering into a contract whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the usage of an identifiable asset for a given period in exchange for consideration.

The Group applies a uniform approach to the recognition and measurement of all lease agreements except for short-term leases and low value asset leases. On the commencement date of a lease, the Group recognizes a right-of-use asset and a lease liability.

#### Right-of-use assets

The Group recognizes right-of-use assets on the date of commencing a lease i.e. at the date at which the leased assets are available for use by the Group entities. The right-of-use assets are presented in a separate line in the consolidated statement of financial position. The Group does not have any right-of-use assets that meet the definition of investment property which would be presented in a statement of financial position in a separate line as "investment property".

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs,
- restoration costs.

Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortization periods for the right-of-use assets are as follows:

<b>Right of use for vehicles</b>	3 years
<b>Right of use for offices</b>	1 – 5 years

#### Lease liabilities

At the commencement date lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate,
- amounts expected to be payable by the Group entities under residual value guarantees,
- the exercise price of a purchase option if the Group's management is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the Group would exercise that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Group's incremental borrowing rate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments.

The lease term includes the non-cancellable period of a lease plus periods covered by options to extend and/or terminate the lease if it is reasonably certain that the lease will be extended or terminated.

The Group applies the exemptions for short-term leases and leases of low-value assets. Payments associated with all short-term leases, i.e. with lease terms of 12 months or less, and certain leases of low-value assets, for which the underlying value is settled at USD 5 thousand or less, are recognized on a straight-line basis over the lease term as an expense in profit or loss.

#### **Subleases**

In sublease arrangements, the Group entities act as both lessee and lessor of the same underlying asset. For the sublease arrangements classified as an operating lease in accordance with the criteria of IFRS 16, the Group continues to account for the lease liability and right-of-use asset on the head lease like any other lease. For the sublease arrangements qualified as a finance lease in accordance with the criteria of IFRS 16, the Group derecognizes the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model.

In classifying a sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, the following criteria are considered: possibility to transfer ownership of the asset to the sublessee by the end of the

agreement term, option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable, if sublease term is for the major part of head lease agreement, if the present value of the sublease payments amounts to at least substantially to headlease payments amount.

**(f) Intangible assets**

***Internally generated intangible assets***

Development expenditures are recognized as an intangible asset when the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- its intention to complete and its ability and intention to use or sell the asset,
- how the asset will generate probable future economic benefits,
- the availability of resources to complete the asset,
- its ability to measure reliably the expenditure during development.

The costs of internally generated intangible assets are capitalized only when the technical feasibility of a product is established by the management and such costs are determined to be recoverable in accordance with IAS 38. Technical feasibility of a product encompasses the completion of technical and game design documentation, or a proven working model.

For products utilizing existing technology, technical feasibility may be established early in the development cycle. Feasibility is evaluated individually for each product.

If the criteria for capitalization are met, the development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

The Group capitalizes software development costs representing direct costs incurred for internal software development. Capitalized software development costs are amortized on a straight line basis over useful life which generally range from 1 to 3 years.

Research expenditures and development expenditures that do not meet the capitalization criteria are recognized as expenses as incurred.

The Group does not capitalize the expenditure incurred in relation to internally generated games, as management has determined, the criteria for capitalization are not met. Due to the Group's focus on mobile games, which operate as ongoing services, the life cycle of internally developed products cannot be determined with sufficient reliability. Furthermore, the distinction between expenditure that enhances the asset's carrying value and routine maintenance expenditure is frequently vague. Management has concluded that it is not possible to demonstrate the technical feasibility of completing such assets, nor can the Group measure reliably the expenditure attributable to the specific intangible asset during its development. This is primarily because the development phase of an internal project cannot be clearly separated from the maintenance phase.

The nature of the Group's operations, specifically providing the users with multiplayer games, requires from the Group the continuous expenditure on updates and upgrades to the existing games, driven by rapidly evolving software environments. Such upgrades are necessary for the ongoing game continuity, and the Group is unable to reliably determine the probability that specific future economic benefits associated with these individual upgrades will flow to the Group.

Consequently, the Group recognizes related to the the maintenance of the existing games and the development of the new games as expenses. Such expenditures are charged to profit or loss in the statement of comprehensive income as incurred and are presented in a separate line "Research and development expenses".

Development costs previously recognized as expenses are not recognized as assets in a subsequent period.

***Software acquired externally and other intangible assets***

Software licenses for software acquired externally and other intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization commences when the assets are available for their

intended use. Software acquired externally and other intangible assets are amortized on a straight-line basis over their expected useful economic lives which generally range from 1 to 3 years. Effective January 1, 2023, the Group reassessed the useful economic life of the "Traffic Puzzle Game" (acquired in 2021) to 4 years. The gain or loss arising from the disposal or retirement of an item of intangible assets is determined as the difference between the disposal proceeds and the carrying amount of the asset at disposal/retirement date and is recognized in the consolidated statement of comprehensive income within operating profit.

**(g) Financial instruments**

The Group recognizes non-derivative financial instruments, such as other long-term financial assets (primarily long-term deposits), trade and other receivables, cash and cash equivalents (including investments in mutual funds), trade and other payables, granted loans (financing of user acquisition costs), investment funds and investments in equity shares, as well as the derivative financial instruments such as call options, and currency forward contracts.

Financial assets are initially recognized at fair value plus transaction costs directly attributable to the acquisition of the financial asset, except for financial assets measured at fair value through profit or loss ("FVPL"), where transaction costs are expensed as incurred.

The group classifies its financial assets based on the business model for managing the assets and the characteristics of their contractual cash flows. Debt instruments held for the collection of contractual cash flows that meet the "solely payments of principal and interest" (SPPI) test are measured at amortized cost. Interest income on these assets is recognized using the effective interest rate method and presented within finance income. Gains and losses arising from derecognition are recorded directly in profit or loss. Financial assets that do not meet the criteria for amortized cost are classified and measured at FVPL. This category includes derivatives (such as call options and currency forward contracts), loans granted and investments in equity shares, as their contractual cash flows do not represent solely payments of principal and interest.

Management assesses the Group's expected credit losses ("ECLs") associated with debt instruments measured at amortized cost, regardless of whether or not there has been any indication of impairment. For trade receivables, the Group applies the simplified approach permitted by IFRS 9. Please refer to Note 2.3 *Material accounting policies*, point (h) *Impairment*, (i) *Financial assets* below.

**(h) Impairment**

**(i) Financial assets**

Management assesses the Group's expected credit losses (ECLs) associated with debt instruments measured at amortized cost, regardless of whether or not there has been any indication of impairment.

For trade receivables, the Group applies the simplified approach and measures a loss allowance for expected credit losses at an amount equal to lifetime expected credit losses. The Group uses its historical data on credit losses, adjusted where necessary for impact of forward-looking information.

For other financial assets, the Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). The financial assets with objective evidence of impairment are classified to Stage 3; for such assets lifetime ECL is recognized.

**(ii) Goodwill**

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination in which the goodwill arose, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. At current, the entire operations of the Group are considered to be one cash generating unit.

Goodwill is tested for impairment annually as at December 31 or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Gains and losses on the disposal of the business operations include the carrying amount of goodwill relating to the business sold.

#### **(iii) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits and highly liquid investments (including money market funds) with maturities at initial recognition of three months or less.

The judgment relating to the classification of the investments in money market funds as "cash and cash equivalents" is disclosed in Note 2.2 *Key judgements and estimates – Money market mutual funds*.

Cash on bank accounts and investments in money market mutual funds meets the SPPI test and the business model test "held to collect", therefore they are measured at amortized cost including an impairment loss determined in accordance with the expected loss model described in Note 2.3 *Material accounting policies, point (h) Impairment, (i) Financial assets*.

#### **(iv) Trade and other receivables**

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. Subsequently, they are carried at amortized cost using the effective interest method, less loss allowance. The loss allowance is determined according to the accounting policy presented in Note 2.3 *Material accounting policies, point (h) Impairment (i) Financial assets*.

Accrued revenues included in trade and other receivables are recognized initially at the amount of consideration based on the sales reports provided by platforms.

Other receivables include receivables from employees and security deposits paid. Other receivables that are not financial assets as at the end of the reporting period are measured at the amount due.

#### **(i) Trade and other payables and deferred income**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

The other payables comprise employees related liabilities, tax other than income tax liabilities and accrued expenses. The deferred income represents a contract liability; it is recognized and measured according to the accounting policy presented in Note 2.3 *Material accounting policies, point (c) Revenue*. Other payables are measured at the amount due.

#### **(j) Share capital and other components of the equity**

Share capital is presented at the total nominal value of the registered shares of the Parent Company.

As at December 31, 2025 and December 31, 2024 all ordinary shares and preferred shares (series A and B) are classified as equity. Preferences attributable to series A and B of preferred shares are described in Note 14 *Share capital*.

Incremental costs directly attributable to the issue of new shares are presented as the deduction of equity, i.e. Other reserves. Qualifying transaction costs incurred in anticipation of an issuance of equity instruments are also deducted from the equity, i.e. Other reserves. If the equity instruments are not subsequently issued, the transaction costs are recognized as an expense.

Any excess of the fair value of consideration received over the nominal value of shares issued is recorded as share premium in equity, i.e. Other reserves.

In the line "Treasury shares", the Group presents the own shares repurchased, which are recognized at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group shares. Any difference between the carrying amount and the consideration, if reissued, is recognized in the other reserves. Incremental costs directly attributable to the repurchase of own shares are presented as the deduction of equity, i.e. in the line "Treasury shares".

In accordance with Delaware General Corporation Law, the Company may declare and pay dividends upon the shares of its capital stock either:

1. Out of its surplus, being the excess of its net assets over its capital (all or part of the consideration received by the corporation in exchange for its capital stock, as determined by the Board of Directors); or
2. In case there shall be no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

If the capital, as defined above, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, the directors of such company shall not declare and pay out of such net profits any dividends upon any shares of any classes of its capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired.

Employee benefits reserve results from the share-based payment arrangements and are described in detail in Note 2.3 *Material accounting policies*, (l) *Employee benefits*, (i) *Share-based payment arrangements* and Note 15 *Share-based payment arrangements*. Employee benefit reserve is not transferred or reclassified within equity.

Foreign exchange reserve results from exchange differences resulting from translating of foreign entities with functional currency different than USD.

**(k) Earnings per share**

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the Huuuge Inc. by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares. The Group's adjusted profit or loss includes the after-tax effect of:

- a. any dividends or other items related to dilutive potential ordinary shares deducted in arriving at profit or loss attributable to ordinary equity holders of Huuuge Inc.;
- b. any interest recognized in the period related to dilutive potential ordinary shares; and
- c. any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares by the weighted average number of ordinary shares adjusted for the effect of all dilutive potential ordinary shares.

Potential ordinary shares are treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. The treasury shares are excluded from the weighted average number of ordinary shares for the purpose of calculating earnings per share ("EPS") as they are no longer outstanding.

**(l) Employee benefits****(i) Share-based payment arrangements**

The Group operates an award program under which the employees and contractors receive free share options entitling them to purchase the shares in the Company. Such a program is a share-based payment program which is classified as equity settled due to the fact that the Company does not have an obligation to settle the award by delivering cash.

Equity-settled share-based payments to employees and contractors providing similar services are measured at the fair value of the equity instruments at the grant date. The grant date fair value of the awards is determined using a share option pricing model. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 15 *Share-based payment arrangements*.

Options with the same grant date but with different vesting periods are treated as separate awards with distinct vesting periods (graded vesting).

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the respective vesting period of each installment. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met. Consequently, the amount ultimately recognized is based on the number of awards that meet these conditions at the vesting date. At the end of each period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of any revision of the original estimates, if any, is recognized in profit or loss immediately, with a corresponding adjustment to the equity-settled employee benefit reserve within equity.

IFRS 2 *Share-based Payment* does not specifically address whether an increase in equity recognized in connection with a share-based payment transaction should be presented in a separate component within equity or within retained earnings. Such an increase is presented in the line "Employee benefit reserve" in these consolidated financial statements. The amounts remain in this reserve and are not subsequently transferred or reclassified within equity.

**Share - based payment transactions with non-employees**

Share-based payment transactions with non-employees include the transactions in which non-employees provide services to the Group in exchange for free share options which entitle them to purchase the shares in the Company.

In accordance with IFRS 2, the Group measures the services received, and the corresponding increase in equity, directly at the fair value of the services received, unless that fair value cannot be estimated reliably. If the fair value of the services received cannot be estimated reliably, the Group measures the expense, and the corresponding increase in equity, indirectly by reference to the fair value of the equity instruments granted (indirect method).

Since services are received over a period of time, the fair value of the equity instruments granted should be measured at the dates when the services are rendered. The Group measures the expense recognized in profit or loss on a quarterly basis using the average share price for the period, as management has determined that the changes in the share price over these periods are not significant and the average price serves as a reasonable proxy for fair value at the service dates.

The Group recognizes the expense charge in the consolidated statement of comprehensive income over the vesting period during which the related services are provided with the corresponding increase in equity in the line "Employee benefit reserve".

**(ii) Other employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**(m) Provisions**

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of the past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the

end of the reporting period and are discounted to their present value where the effect of the time value of money is material. For more details on the Group's litigations please refer to Note 19 *Contingencies*.

**(n) Cost of sales**

Within "Cost of sales", the Group primarily recognizes platform fees payable to distributors, which are related to revenues from in-app purchases and server hosting costs. Platform fees to distributors are recognized over time in line with the recognition of revenues from in-app purchases. Server costs are recognized when incurred.

In addition, this line includes amortization of the acquired titles, i.e. amortization of Traffic Puzzle game for the year ended December 31, 2025 and December 31, 2024 which is recognized on a straight-line basis over the estimated period of the economic useful life of the title.

**(o) Research and development expenses**

In the line "Research and development expenses", the Group recognizes costs of the maintenance of the existing games and development of the new games and fees paid to external developers related to the publishing contracts. In addition, this line includes costs of salaries and share-based payment arrangements of the technology department, as well as the research and development expenses that do not meet the criteria for capitalization.

Fees paid to external developers include expenditures incurred in relation to the right to the game (i.e. the license), the payment for the development operations and maintenance services. Due to the fact that the Group is not able to allocate the fees between particular components, total fees are recognized when incurred.

These costs are recognized when incurred. Details regarding lack of capitalization of these costs are presented, respectively, in Note 2.3 *Material accounting policies*, point (f) *Intangible assets*.

**(p) Sales and marketing expenses**

The line "Sales and marketing expenses" includes two main types of sales and marketing expenses:

- a) "User acquisition marketing campaigns" which mainly include variable costs of external marketing campaigns directly attributable to acquisition of new players, and conversion of non-paying players into paying players, and
- b) "General Sales and marketing expenses" which mainly include costs of salaries and share-based payment arrangements of the sales and marketing departments as well as external marketing and sales services.

These costs are recognized when incurred.

**(q) Finance income and expense**

Finance income comprises mainly interest income on funds invested, i.e., bank deposits, money market mutual fund investments and buy-sell-back transactions and foreign exchange differences on currency translation. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Foreign currency gains and losses are reported on a net basis as either finance income or finance expenses depending on whether foreign currency movements are in a net gain or net loss position unless material, where separate presentation is required.

Finance expenses comprise mainly interest expense on lease liabilities.

**4) Adoption of new and revised standards**

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

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

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

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on September 11, 2014) – the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by International Accounting Standards Board;
- IFRS 18: Presentation and disclosure in financial statements (issued on April 9, 2024) – not yet endorsed by EU at the date of approval of these consolidated financial statements for issue – effective for financial years beginning on or after January 1, 2027;
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (issued on May 9, 2024) – not yet endorsed by EU at the date of approval of these consolidated financial statements for issue – effective for financial years beginning on or after January 1, 2027;
- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (issued on May 30, 2024) – effective for financial years beginning on or after January 1, 2026;
- Annual Improvements Volume 11 (issued on July 18, 2024) – effective for financial years beginning on or after January 1, 2026;
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (issued on December 18, 2024) – effective for financial years beginning on or after January 1, 2026;
- Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures (issued on August 21, 2025) – not yet endorsed by EU at the date of approval of these consolidated financial statements for issue – effective for financial years beginning on or after 1 January 2027;
- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on November 13, 2025) – not yet endorsed by EU at the date of approval of these consolidated financial statements for issue – effective for financial years beginning on or after January 1, 2027.

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

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

During the year 2025, the following IFRS and amendments to IFRS or interpretations entered into force:

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

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

**5) Determination of fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. As at December 31, 2024 the Group recognized the fair value of investments in SAFE agreements, call options recognized under investment agreements (for the details, please refer to Note 10 *Long-term investments*), and currency forward contracts. During the year 2025, the investments in SAFE agreements were converted into equity shares. Following this conversion, the Group re-evaluated the fair value of these investments, which was determined to be zero as at December 31, 2025. For further details, please refer to Note 10 *Long-term investments*. As at December 31, 2025 the Group recognized the fair value of the currency forward contracts.

At each reporting date, management analyzes movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies.

**(a) Trade and other receivables measured at amortized cost**

For trade and other receivables and deposits, the Group's management considers their carrying amounts to be the best estimates of fair values, due to the short-term nature and high liquidity of these instruments. This fair value is determined for disclosure purposes.

**(b) Non-derivative financial liabilities measured at amortized cost**

For trade accounts payable, the Group's management considers their carrying amounts to be a reasonable approximation of their respective fair values, due to the short-term maturity of these instruments. Fair value of non-derivative financial liabilities other than trade accounts payable, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For lease liabilities, the Group uses the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rate is used.

### 3. Revenue and segment information

Huuuge's business, comprising the development and sale of casual games for mobile platforms is global. The games and sales channels are consistent regardless of players' location. Management monitors the Group's revenue on a per-game basis e, but does not allocate all costs, assets, and liabilities by game, nor does it measure operating results at the individual game level. In management's view, the Group's operations and financial performance cannot be divided into reportable segments in a manner that improves the ability to analyze and manage the Group. As at December 31, 2025 the CEO is the Chief operating decision-maker. The CEO analyzes the consolidated financial position and operating results of the Group as a whole; therefore, it has been determined that the Group has only one operating segment ("online mobile games"). The Group's management monitors operating results on a Group-wide basis for the purpose of making decisions about resource allocation and performance assessment.

The Group's revenue from contracts with clients comprises revenue generated by in-app purchases (gaming applications) and in-app ads (advertising). Revenue generated from gaming applications for the year ended December 31, 2025 amounted to USD 234,417 thousand (USD 249,039 thousand for the year ended December 31, 2024), and revenue generated from advertising amounted to USD 1,148 thousand for the year ended December 31, 2025 (USD 1,784 thousand for the year ended December 31, 2024).

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

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

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

For advertising services, the Group applies the practical expedient allowed under IFRS 15 and does not disclose the aggregate amount of the transaction price allocated to unsatisfied performance obligations. This is because the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

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

	Year ended December 31, 2025	Year ended December 31, 2024
Huuuge Casino	153,281	162,297
Billionaire Casino	78,742	82,833
Traffic Puzzle	2,532	4,445
Other games	1,010	1,248
<b>Total revenue</b>	<b>235,565</b>	<b>250,823</b>

Revenue was generated in the following geographical locations:

	Year ended December 31, 2025	Year ended December 31, 2024
North America	136,727	147,013
Europe	70,998	74,390
Asia-Pacific (APAC)	23,709	24,975
Other	4,131	4,445
<b>Total revenue</b>	<b>235,565</b>	<b>250,823</b>

The line "North America" includes revenue generated in the United States amounting to USD 130,602 thousand during the year ended December 31, 2025 (USD 140,021 thousand during the year ended December 31, 2024). The above is the management's best estimate, as no geographical breakdown is available for some revenue sources.

The allocation of revenue to regions is driven by the location of individual players (end-user customers). No individual end-user customer accounted for 10% or more in the Group's total revenues in the years ended December 31, 2025, or December 31, 2024. The vast majority of revenues is collected through several platform providers, such as Apple App Store, Google Play, Facebook, and Amazon App Store, as well as directly through direct-to-consumer offering (Web store).

The division of assets by geographical location does not solely define the Group's activities. Right-of-use assets and property, plant, and equipment are allocated based on geographical locations of the respective subsidiaries' offices, while intellectual property rights are situated in Cyprus.

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

	Year ended December 31, 2025	Year ended December 31, 2024
Third-party platforms	173,784	220,881
Direct-to-consumer platforms	61,781	29,942
<b>Total revenue</b>	<b>235,565</b>	<b>250,823</b>

## 4. Operating expenses

For the year ended December 31, 2025, the operating expenses comprised:

Expenses by nature	Note	Total	Cost of sales	Sales and marketing expenses			
				<i>thereof, User acquisition marketing campaigns</i>	<i>thereof, General sales and marketing expenses</i>	Research and development expenses	General and administrative expenses
Platform fees to distributors		53,750	53,750	-	-	-	-
Gaming servers expenses		348	348	-	-	-	-
External marketing and sales services		38,100	-	31,946	6,154	-	-
Salaries and employee-related costs	5	35,056	-	-	9,664	15,643	9,749
Employee stock option plan	5	2,384	-	-	330	168	1,886
Depreciation and amortization		8,469	1,583	-	409	1,499	4,978
Finance & legal services		3,757	-	-	-	-	3,757
IT equipment and software expenses		3,446	-	-	-	-	3,446
Property maintenance and external services		1,609	-	-	-	-	1,609
Other costs		3,497	-	-	65	472	2,960
<b>Total operating expenses</b>		<b>150,416</b>	<b>55,681</b>	<b>31,946</b>	<b>16,622</b>	<b>17,782</b>	<b>28,385</b>

Salaries and employee-related costs include costs related to the headcount reductions amounting to USD 2,596 thousand. Other costs presented within research and development expenses primarily consist of external development fees, graphic design and gaming content production. Other costs within general and administrative expenses include primarily payroll and recruitment services, office management expenses (including company events), training costs, and business travel expenses.

For the year ended December 31, 2024, operating, administrative and marketing expenses comprised:

Expenses by nature	Note	Total	Cost of sales	Sales and marketing expenses			
				<i>thereof, User acquisition marketing campaigns</i>	<i>thereof, General sales and marketing expenses</i>	Research and development expenses	General and administrative expenses
Platform fees to distributors		66,890	66,890	-	-	-	-
External developers fees		420	-	-	-	420	-
Gaming servers expenses		532	532	-	-	-	-
External marketing and sales services		44,649	-	38,887	5,762	-	-
Salaries and employee-related costs	5	38,327	-	-	7,674	18,908	11,745
Employee stock option plan	5	3,485	-	-	123	199	3,163
Depreciation and amortization		9,203	1,583	-	479	1,885	5,256
Finance & legal services		3,228	-	-	-	-	3,228
IT equipment and software expenses		3,126	-	-	-	-	3,126
Property maintenance and external services		1,624	-	-	-	-	1,624
Other costs		3,963	-	-	17	797	3,149
<b>Total operating expenses</b>		<b>175,447</b>	<b>69,005</b>	<b>38,887</b>	<b>14,055</b>	<b>22,209</b>	<b>31,291</b>

Other costs presented within research and development expenses primarily consist of external development fees, graphic design and gaming content production. Other costs within general and administrative expenses include primarily payroll and recruitment services, business travel expenses, office management expenses (including company events) and training costs.

## 5. Salaries and employee-related costs

The table below presents the breakdown of salaries and employee-related costs, including the remuneration of key management personnel, for the years ended December 31, 2025, and December 31, 2024.

	Year ended December 31, 2025	Year ended December 31, 2024
Salaries and bonuses	30,608	33,324
Social security contributions	3,310	3,587
Share-based payment expense	2,384	3,485
Other employee-related costs	1,138	1,416
<b>Total salaries and employee-related costs</b>	<b>37,440</b>	<b>41,812</b>

Other employee related costs primarily include short-term employee benefits such as medical insurance, lunch cards, or holiday vouchers.

The tables below present the period-end headcount and the average headcount as at, and for the years ended December 31, 2025, and December 31, 2024 respectively.

Headcount at year-end	As at December 31, 2025	As at December 31, 2024
Sales and marketing	94	88
Game development	134	233
Back office	60	92
Executive management and global management	13	15
<b>Total number of employees</b>	<b>301</b>	<b>428</b>

Headcount average	Year ended December 31, 2025	Year ended December 31, 2024
Sales and marketing	92	98
Game development	156	230
Back office	66	105
Executive management and global management	14	15
<b>Total average number of employees</b>	<b>328</b>	<b>448</b>

The number of employees is calculated based on the actual number of persons employed, including self-employed individuals, irrespective of full-time or part-time status. The tables above also include employees on long-term absences.

## 6. Finance income and finance expense

### Finance income

	Year ended December 31, 2025	Year ended December 31, 2024
Interest income	6,788	5,867
Foreign exchange gains, net	-	1,279
Financial contracts revaluation	33	-
<b>Total finance income</b>	<b>6,821</b>	<b>7,146</b>

In the year ended December 31, 2025, finance income amounted to USD 6,821 thousand, which primarily comprises interest income on bank deposits and money market mutual funds, including accrued interest in the amount of USD 250 thousand, and fair value gains on financial instruments in the amount of USD 33 thousand (financial contracts revaluation).

In the year ended December 31, 2024, finance income amounted to USD 7,146 thousand, which primarily comprised interest income on bank deposits, and money market mutual funds, including accrued interest in the amount of USD 403 thousand, and net foreign exchange gains in the amount of USD 1,279 thousand.

Huuuge Global Ltd and Huuuge Games Sp. z o.o. entered into short-term currency forward contracts with a duration not exceeding 12 months. The notional amount of the outstanding contracts as at December 31, 2025, amounted to USD 50,907 thousand. The fair value gain on these contracts amounted to USD 33 thousand in the year ended December 31, 2025, and was presented in the line Financial contracts revaluation.

Interest received, as presented in the Consolidated statement of cash flows for the year ended December 31, 2025, amounted to USD 6,454 thousand. This amount does not equal the Interest income presented in the Consolidated statement of comprehensive income for the year ended December 31, 2025. The difference is attributable to interest accrued, as well as the interest received from subleases, which is presented separately in the line "Interest received from sublease" in the consolidated statement of cash flows.

#### Finance expense

	Year ended December 31, 2025	Year ended December 31, 2024
Foreign exchange losses, net	2,833	-
Interest expense	172	269
<b>Total finance expense</b>	<b>3,005</b>	<b>269</b>

In the year ended December 31, 2025, finance expenses primarily include net foreign exchange losses in the amount of USD 2,833 thousand, as well as interest expense in the amount of USD 172 thousand, which comprises mainly interest expense recognized under IFRS 16 on lease liabilities.

In the year ended December 31, 2024, finance expenses included the interest expense in the amount of USD 269 thousand, which comprised interest expense recognized under IFRS 16 on lease liabilities, as well as interest expense from banks.

In addition to finance income and expenses recognized in consolidated statement of comprehensive income, the "Finance (income)/cost, net" line presented in the consolidated statement of cash flows includes non-cash effect of exchange gains and losses arising on translation of foreign operations into the presentation currency, i.e. USD.

## 7. Financial risk management

### (a) Introduction

Risk management performed by the Group is aimed at reducing the impact of adverse factors on its performance. This note presents information about the Group's exposure to specific risks arising from financial instruments, as well as the Group's objectives for maintaining an effective risk management process. The Group is exposed primarily to credit risk, liquidity risk, and market risk.

### Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors regularly identifies, evaluates, and manages the risks faced by the Group, setting appropriate risk limits and controls, and monitoring compliance.

## (b) Credit risk

### *Credit risk relating to cash and cash equivalents*

The Group is exposed to credit risks primarily with regard to cash and cash equivalents, including investments in money market funds, bank deposits, and buy-sell-back transactions. These risks could arise if a counterparty becomes insolvent and is unable to fulfill its obligations. To mitigate this risk, the Group conducts transactions and deposits funds primarily with investment-grade rated financial institutions and monitors the concentration of transactions with any single party. The Group's management uses Moody's credit ratings to monitor counterparties. The information about the credit risk rating grades (applicable for the financial institution group) is presented in the table below.

Moody's Rating	As at December 31, 2025	As at December 31, 2024
Aaa-mf	89,561	113,655
Aa2	144	37
Aa3	62	2,108
A2	-	4,501
A3	8,807	20,587
Baa1	1,994	723
Baa2	-	229
<b>Total cash and cash equivalents</b>	<b>100,568</b>	<b>141,840</b>

Investments in money market mutual funds are restricted to funds with an "Aaa-mf" rating. Activities with non-investment grade counterparties are limited to the minimum necessary for the Group's presence in specific jurisdictions.

Concentration risk is mitigated at the Group level by aiming to limit the maximum concentration of deposits in any one financial institution (or assets in any one fund) to 30%.

As at December 31, 2025, the largest concentration of funds with a single financial institution was 36%, representing several funds managed by a Global Systemically Important Bank (G-SIB); remaining funds were not concentrated more than 25% in a single institution. In comparison, as at December 31, 2024, the largest concentration of funds with a single financial institution was 14%.

Total gross carrying amounts of cash and cash equivalents as at December 31, 2025, and December 31, 2024, were included in Stage 1, as credit risk has not increased significantly since initial recognition. Management has assessed that the provision for expected credit losses (ECL) related to cash and cash equivalents is immaterial for all periods presented.

The carrying amount of cash and cash equivalents balance represents the maximum credit exposure.

### *Credit risk with respect to other short term financial assets, trade receivables and other receivables*

The carrying amount of granted loans and trade receivables represents the maximum credit exposure. The maximum exposure to credit risk at the reporting dates was as follows: Trade receivables from third parties amounted to USD 21,034 thousand as at December 31, 2025 (USD 22,989 thousand as at December 31, 2024), Granted loans amounted to USD 1,394 thousand as at December 31, 2025.

The Group's business model (numerous end-users worldwide, and collection of cash payments via major distribution platforms with high credit ratings) significantly limits potential credit risk. However, the credit risk is concentrated among a few major distribution platforms (cash collection agents).

Below are disclosed the concentrations of main trade receivables as at the respective balance sheet dates and their share in trade receivables from third parties:

	As at December 31, 2025	%	As at December 31, 2024	%
Appcharge	7,790	37%	3,313	14%
Apple	6,637	32%	11,116	48%
Google	4,564	22%	6,868	30%
Facebook	535	3%	941	4%
Amazon	369	2%	321	1%
Other	1,139	5%	430	2%
<b>Trade receivables from third parties</b>	<b>21,034</b>	<b>100%</b>	<b>22,989</b>	<b>100%</b>

#### Allowance for expected credit losses

The Group recognizes an allowance for expected credit losses according to IFRS 9 *Financial Instruments*, considering all reasonable and supportable information (e.g. customer rating, historical recoverability).

As the Group transacts with a few highly rated business partners (Aaa to A1), the Group performs impairment analysis on an individual basis rather than a portfolio approach. Due to the high creditworthiness of the Platform Providers and a lack of historical defaults, ECL for trade receivables has been assessed as immaterial. Under the simplified approach allowed by IFRS 9, the Group measures the loss allowance at an amount equal to lifetime ECL. Receivables overdue by more than 90 days are analyzed individually; where historical experience and forward-looking data indicate recoverability, these are not considered credit-impaired.

For movement in the allowance for expected credit losses please refer to Note 11 *Trade and other receivables*.

The ageing of trade receivables at the reporting dates was as follows:

As at December 31, 2025	Total	not due and overdue up to 1 month	over 1 month to 3 months	over 3 months to 6 months	over 6 month to 1 year	over 1 year
Trade receivables	21,034	20,412	622	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-
<b>Trade receivables, net</b>	<b>21,034</b>	<b>20,412</b>	<b>622</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at December 31, 2024	Total	not due and overdue up to 1 month	over 1 month to 3 months	over 3 months to 6 months	over 6 month to 1 year	over 1 year
Trade receivables	22,989	22,235	754	-	-	-
Allowance for expected credit losses	-	-	-	-	-	-
<b>Trade receivables, net</b>	<b>22,989</b>	<b>22,235</b>	<b>754</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(c) Liquidity risk**

Liquidity risk means the risk that the Group may encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's management approach to managing liquidity is to ensure, as far as possible, that it maintains sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity risk is assessed by monitoring budgeted cash flows and maintaining an optimal current liabilities structure. The primary method of measuring the liquidity risk consists of analyzing the coverage of current financial liabilities with available cash resources.

There are no bank loan balances or credit facilities in force as at December 31, 2025, and December 31, 2024, and as at date of approval these consolidated financial statements for issue. Consequently, the Group's exposure to contractual interest rate risk from borrowings is considered remote. The Group's primary financial liabilities consist of trade and other payables and lease liabilities recognized under IFRS 16. The Group expects to settle these obligations using available cash on hand and cash flows generated from operations. It is not expected that the cash flows included in the maturity analysis disclosed in the table below could occur significantly earlier, or at significantly different amounts.

The following tables present the maturities of financial liabilities, including estimated interest payments, as of respective reporting dates:

<b>As at December 31, 2025</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 - 12 months</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>
Trade payables	1,603	1,603	1,603	-	-	-
Accrued expenses (except taxes)	6,555	6,555	6,555	-	-	-
Lease liabilities	4,496	4,644	2,279	1,791	415	159
<b>Non derivative financial liabilities</b>	<b>12,654</b>	<b>12,802</b>	<b>10,437</b>	<b>1,791</b>	<b>415</b>	<b>159</b>

<b>As at December 31, 2024</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 - 12 months</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>
Trade payables	1,238	1,238	1,238	-	-	-
Accrued expenses (except taxes)	5,553	5,553	5,553	-	-	-
Lease liabilities	7,551	7,760	2,148	1,943	3,397	272
<b>Non derivative financial liabilities</b>	<b>14,342</b>	<b>14,551</b>	<b>8,939</b>	<b>1,943</b>	<b>3,397</b>	<b>272</b>

The changes in liabilities arising from financing activities are presented in Note 18 *Leases*.

#### (d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices may affect the Group's income or the value of its financial instruments (including money market mutual funds investments classified as cash and cash equivalents). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

##### (i) Currency risk

The Group is exposed to currency risk primarily arising from exchange rate volatility between the Euro (EUR), the US Dollar (USD), and the functional currencies of the Group's subsidiaries. This exposure stems from foreign currency balances (cash and cash equivalents, trade receivables, and trade payables, excluding statutory and employee-related liabilities), and underlying business operations.

The Group utilizes "natural hedging" by matching currencies for accounts receivable and accounts payable. This reduces currency risk as differences resulting from these balances have opposite effects, effectively netting the exposure. In addition, the Group concludes foreign exchange forward contracts.

The Group's exposure to foreign currency risk for the most significant currencies is illustrated in the table below.

Foreign currency denominated	As at December 31, 2025	As at December 31, 2024
<b>Trade receivables</b>	<b>21,034</b>	<b>22,989</b>
USD - foreign	452	350
EUR - foreign	5,405	7,271
Other - foreign	33	23
Functional currencies	15,144	15,345
<b>Cash and cash equivalents</b>	<b>100,568</b>	<b>141,840</b>
USD – foreign	7,004	7,397
PLN - foreign	112	3
EUR - foreign	3,582	1,545
Other - foreign	30	4
Functional currencies	89,840	132,891
<b>Trade payables and accrued expenses (except taxes)</b>	<b>(8,193)</b>	<b>(6,791)</b>
USD - foreign	(156)	(41)
PLN - foreign	(108)	(42)
EUR - foreign	(412)	(351)
ILS - foreign	-	(2)
GBP - foreign	-	(77)
Functional currencies	(7,517)	(6,278)
<b>Net balances in foreign currencies</b>	<b>As at December 31, 2025</b>	<b>As at December 31, 2024</b>
USD	7,300	7,706
PLN	4	(39)
EUR	8,575	8,465
ILS	-	(2)
GBP	-	(77)
Other	63	27
<b>Gross exposure</b>	<b>15,942</b>	<b>16,080</b>

The Group did not enter into hedging transactions.

#### Sensitivity analysis

A strengthening or weakening of foreign currencies, as indicated below, against the respective functional currencies of Group entities would have affected the measurement of financial instruments denominated in a foreign currency and impacted profit

or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

As at December 31, 2025	EUR/USD	USD/PLN	EUR/PLN	USD/ILS	ILS/EUR	USD/GBP	Other	Total exposure
USD	-	2,618	-	4,675	-	23	38	7,354
EUR	8,577	-	-	-	-	-	(23)	8,554
PLN	-	-	75	-	-	-	12	87
ILS	-	-	-	-	(53)	-	-	(53)
<b>Gross exposure</b>	<b>8,577</b>	<b>2,618</b>	<b>75</b>	<b>4,675</b>	<b>(53)</b>	<b>23</b>	<b>27</b>	<b>15,942</b>

Reasonable shift +10%	858	262	8	468	(5)	2	5	
Reasonable shift -10%	(858)	(262)	(8)	(468)	5	(2)	(5)	

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

As at December 31, 2024	EUR/USD	USD/PLN	EUR/PLN	USD/ILS	ILS/EUR	USD/GBP	PLN/GBP	Other	Total exposure
USD	-	3,613	-	4,051	-	(27)		25	7,662
EUR	8,230	-	-	-	-	-		(5)	8,225
PLN	-	-	247	-	-	-	(50)	-	197
ILS	-	-	-	-	(4)	-			(4)
<b>Gross exposure</b>	<b>8,230</b>	<b>3,613</b>	<b>247</b>	<b>4,051</b>	<b>(4)</b>	<b>(27)</b>	<b>(50)</b>	<b>20</b>	<b>16,080</b>

Reasonable shift +10%	823	361	25	405	0	(3)	(5)	2
Reasonable shift -10%	(823)	(361)	(25)	(405)	0	3	5	(2)

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

#### (ii) Interest rate risk

The Group's exposure to interest rate risk is limited as it has no bank loan agreements for any of the periods presented through December 31, 2025. The Group has recognized the lease liability; the lease liability bears fixed interest.

The Group does not have significant interest-bearing liabilities at variable rates, which would expose the Group to interest rate cash flow risk.

The Group's primary interest bearing assets are cash and cash equivalents. Bank deposits and the investments in money market funds, and buy-sell-back transactions are subject to variable interest rates. These are investments which are either highly liquid, or have short-term maturities. Management has concluded that a reasonably possible change in interest rates during the short maturity period of these investments would not result in a material impact on profit or loss. Consequently, the Group is not significantly exposed to interest rate cash flow risk from its financial assets.

#### (e) Capital management

The Board of Directors is responsible for managing the Group's capital structure. The Board's policy is to maintain a strong capital base to maintain investors' and market confidence and to sustain future development of the business. The Group's management seeks to maintain a sufficient capital base to meet the Group's operational and strategic needs, with the objective of safeguarding the Group's ability to continue as a going concern, settle the obligations and optimize the capital structure in

order to reduce the cost of capital and maximize the return on equity to the shareholders. The amount of capital maintained in each reporting period (see table below) met management’s objectives.

The capital managed by the Group’s management includes equity. As of December 31, 2025, and December 31, 2024, managed capital comprised ordinary shares, preferred shares series A and B, treasury shares, and share-based payment reserves. For the amounts please refer to respective Note 14 *Share capital*, of these consolidated financial statements. There are no externally imposed capital management requirements (such as debt covenants or similar).

The Group’s management monitors the return on capital on the basis of basic and diluted earnings per share ratios. Further information on calculation of EPS is presented in Note 7 *Financial risk management*, point (f) *Earnings per share*. The objective of the management is to maximize the return to shareholders while maintaining a level of liquidity that ensures the settlement of Group’s liabilities.

No dividends were declared or paid by the Company to its shareholders in the years ended December 31, 2025, and December 31, 2024.

During the years ended December 31, 2025, and December 31, 2024, the Company conducted share buyback programs (“SBB”). These programs were aimed at acquiring Company’s common shares from its shareholders at a predetermined and fixed price per share. For the further details on acquisition of shares under these schemes, please refer to Note 14 *Share Capital*.

	As at December 31, 2025	As at December 31, 2024
Equity	132,554	172,810
<b>Total capital</b>	<b>132,554</b>	<b>172,810</b>

#### (f) Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Series A and B are preferred shares. The dividend on ordinary shares can only be declared if the dividend on preferred shares is also declared in the amount that is at least the same but the Group otherwise does not have an obligation to declare preferred dividends. Thus series A and B shares are treated as participating non-cumulative equity instruments (IAS 33 A13(a)). In the reporting period there were no dividends declared. Therefore, in the calculation of basic EPS the amount of undistributed earnings is allocated to both ordinary shareholders and participating preferred shareholders.

Diluted EPS is calculated by adjusting the basic EPS for the effects of all dilutive potential ordinary shares, specifically employee share options and convertible non-cumulative preferred shares series A and B (non-mandatorily convertible preferred shares classified as equity are dilutive if the amount of dividend declared on such share per ordinary share obtainable on conversion is below basic EPS).

Options granted to employees under the ESOP are considered to be potential ordinary shares. Options with exercise price below fair market value of the shares in the reporting period have been included in the diluted share count. The options have been excluded from the calculation of basic EPS. Details relating to the options are set out in Note 15 *Share-based payment arrangements*.

Treasury shares represent the repurchased own shares and are excluded from weighted average number of shares for both basic and diluted EPS as they are not outstanding.

Basic EPS

		Year ended December 31, 2025	Year ended December 31, 2024
Net result attributable to the owners of the Parent	[A]	73,096	65,352
Undistributed profit (loss) attributable to holders of series A and B preferred shares	[B]	-	-
<b>Profit (loss) attributable to holders of ordinary shares</b>	<b>[C]=[A]-[B]</b>	<b>73,096</b>	<b>65,352</b>
		Year ended December 31, 2025	Year ended December 31, 2024
Weighted average number of ordinary shares	[D]	53,138,873	58,179,497
<b>Basic EPS</b>	<b>[E] = [C]/[D]</b>	<b>1.38</b>	<b>1.12</b>

Diluted EPS

The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted EPS. Consequently, profit (loss) attributable to ordinary equity holders of the parent adjusted for the effect of dilution is equal to profit (loss) attributable to holders of ordinary shares.

Profit (loss) attributable to holders of ordinary shares and profit (loss) attributable to ordinary equity holders of the parent adjusted for the effect of dilution is presented below:

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

		Year ended December 31, 2025	Year ended December 31, 2024
<b>Weighted average number of issued ordinary shares used in calculating basic earnings per share</b>	[D]	53,138,873	58,179,497
Employee Stock Option Plan	[F]	1,327,463	376,029
<b>Weighted average number of issued ordinary shares and potential ordinary shares used in calculating diluted earnings per share</b>	<b>[G]=[D]+[F]</b>	<b>54,466,336</b>	<b>58,555,526</b>
Diluted EPS	[H]=[C]/[G]	1.34	1.12

(g) Accounting classifications of financial instruments and fair values

The fair values of financial assets and liabilities, together with the carrying amounts presented in the statement of financial position are as follows:

As at December 31, 2025	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value	Financial liabilities at amortized cost	Financial assets and liabilities out of scope of IFRS 9	Total carrying amount	Fair value
<b>Assets</b>	<b>121,602</b>	<b>9,468</b>	<b>-</b>	<b>-</b>	<b>1,328</b>	<b>132,398</b>	<b>132,398</b>
Trade receivables	21,034	-	-	-	-	21,034	21,034
Lease receivables	-	-	-	-	1,328	1,328	1,328
Cash and cash equivalents	100,568	-	-	-	-	100,568	100,568
Deposits for currency forward contracts	-	8,192	-	-	-	8,192	8,192
Currency forward contracts	-	(118)	-	-	-	(118)	(118)
Loans granted	-	1,394	-	-	-	1,394	1,394
Investments in equity shares	-	0	-	-	-	0	0
Call option agreements on long-term investments	-	0	-	-	-	0	0
<b>Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,603</b>	<b>4,496</b>	<b>6,099</b>	<b>6,099</b>
Lease liability	-	-	-	-	4,496	4,496	4,496
Trade payables	-	-	-	1,603	-	1,603	1,603
<b>Net amount</b>	<b>121,602</b>	<b>9,468</b>	<b>-</b>	<b>(1,603)</b>	<b>(3,168)</b>	<b>126,299</b>	<b>126,299</b>

As at December 31, 2024	Financial assets measured at amortized cost	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value	Financial liabilities at amortized cost	Financial assets and liabilities out of scope of IFRS 9	Total carrying amount	Fair value
<b>Assets</b>	<b>164,829</b>	<b>2,953</b>	-	-	<b>2,318</b>	<b>170,100</b>	<b>170,100</b>
Trade receivables	22,989	-	-	-	-	22,989	22,989
Lease receivables	-	-	-	-	2,318	2,318	2,318
Cash and cash equivalents	141,840	-	-	-	-	141,840	141,840
Deposits for currency forward contracts	-	2,507	-	-	-	2,507	2,507
Currency forward contracts	-	(54)	-	-	-	(54)	(54)
Investments in SAFE agreements	-	500	-	-	-	500	500
Call option agreements on long-term investments	-	0	-	-	-	0	0
<b>Liabilities</b>	-	-	-	<b>1,238</b>	<b>7,551</b>	<b>8,789</b>	<b>8,789</b>
Lease liability	-	-	-	-	7,551	7,551	7,551
Trade payables	-	-	-	1,238	-	1,238	1,238
<b>Net amount</b>	<b>164,829</b>	<b>2,953</b>	-	<b>(1,238)</b>	<b>(5,233)</b>	<b>161,311</b>	<b>161,311</b>

As at December 31, 2025 the Group identifies currency forward contracts (for the details, please refer to Note 6 *Finance income and finance expense*), loans granted, investments in equity shares and call options (for the details, please refer to Note 10 *Long-term investments*) as assets measured at fair value (currency forward contracts, investments in SAFE and call options as at December 31, 2024).

The Group's management believes that the fair values of financial instruments do not differ significantly from their carrying amounts.

## 8. Income tax

	As at December 31, 2025	As at December 31, 2024
Deferred tax assets	2,003	4,973
Deferred tax liabilities	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>2,003</b>	<b>4,973</b>

The change in deferred tax assets in the year ended December 31, 2025 is primarily attributable to the reversal of the DTA recognized on withholding tax (WHT) related to the dividends received by Huuuge, Inc. from its subsidiaries.

	Year ended December 31, 2025	Year ended December 31, 2024
Current income tax	17,886	13,673
Change in deferred income tax	(2,970)	(1,240)
<b>Income tax for the year</b>	<b>14,916</b>	<b>12,433</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate applied to profit of the consolidated entities as follows:

Effective tax rate reconciliation	Year ended December 31, 2025	Year ended December 31, 2024
<b>Profit/(loss) before income tax</b>	<b>88,012</b>	<b>77,785</b>
Statutory tax rate in the United States	21%	21%
<b>Theoretical tax expense/(benefit) according to current tax rate in the United States</b>	<b>18,483</b>	<b>16,335</b>
Adjustment for tax rates in foreign subsidiaries	(4,897)	(4,188)
Tax impact of non-deductible costs – ESOP	405	611
Tax impact of non-tax costs/(income) – other	1,292	561
GILTI* income net of FDII** deduction, net of foreign tax credit	(609)	415
Tax impact of local tax reliefs***	(2,619)	(1,132)
Deferred tax reversal prior years	2,585	-
WHT on current year dividends	2,200	-
Previous years' income taxes	(1,397)	(147)
Tax impact of other differences	(527)	(22)
<b>Tax charge</b>	<b>14,916</b>	<b>12,433</b>
<b>Effective tax rate</b>	<b>17%</b>	<b>16%</b>

\* GILTI – Global Intangible Low-Taxed Income \*\* FDII – Foreign-Derived Intangible Income. This is a reconciling item since the Group's policy choice is to recognise any taxes for GILTI as a period cost, i.e. no deferred taxes for temporary differences expected to reverse as GILTI. Please refer to the Note 2.3 *Material accounting policies*, point (d) *Income tax*.

\*\*\* In the year ended December 31, 2025 and December 31, 2024, the Group utilized various tax incentives, primarily relating to IP Box relief and research and development relief in Poland, as well as superdeductions for qualifying expenses in Cyprus. These incentives effectively reduce the tax base or apply preferential tax rates to qualifying income. Please refer to the Note 2.3 *Material accounting policies*, point (d) *Income tax*.

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

The average tax rate used for the year ended December 31, 2025 is 17%, compared to 16% for the year ended December 31, 2024. The tax rate was higher in the year ended December 31, 2025 mainly due to the impact of withholding taxes on dividends and deferred tax reversals related to prior years, which were partially offset by an increased utilization of tax incentives, including R&D and IP Box reliefs.

### Deferred tax reconciliation

Deferred tax assets	As at December 31, 2025	As at December 31, 2024
Lease liabilities	928	1,567
Traffic Puzzle game	815	1,630
Accrued expenses	774	388
Other deductible temporary differences	435	2,983
Other intangible assets	57	17
<b>Total</b>	<b>3,009</b>	<b>6,585</b>
Tax losses	-	-
<b>Deferred tax assets</b>	<b>3,009</b>	<b>6,585</b>
Compensation with deferred tax liabilities	(1,006)	(1,612)
<b>Deferred tax assets presented in the consolidated statement of financial position</b>	<b>2,003</b>	<b>4,973</b>

Deferred tax assets expected to be recovered within 12 months from the reporting date amounted to USD 2,398 thousand as at December 31, 2025 and USD 4,614 thousand as at December 31, 2024.

Deferred tax liabilities	As at December 31, 2025	As at December 31, 2024
Right-of-use assets	627	1,029
Lease receivables	265	463
Uninvoiced receivables	41	69
Other differences	73	51
<b>Deferred tax liabilities</b>	<b>1,006</b>	<b>1,612</b>
Compensation with deferred tax assets	(1,006)	(1,612)
<b>Deferred tax liabilities presented in the consolidated statement of financial position</b>	<b>-</b>	<b>-</b>

Deferred tax liabilities expected to be settled within 12 months from the reporting date amounted to USD 536 thousand as at December 31, 2025 and USD 840 thousand as at December 31, 2024.

	As at December 31, 2025	As at December 31, 2024
Net deferred tax assets at the beginning of the year	4,973	3,733
Net deferred tax assets/(liabilities) at the end of the year	2,003	4,973
<b>Deferred tax in the net profit for the year</b>	<b>2,970</b>	<b>(1,240)</b>

As at December 31, 2025 and December 31, 2024 there was no deferred tax asset recognized on unused tax losses in the consolidated statement of financial position.

## 9. Intangible assets

	IP rights	Software generated internally	Software acquired externally	Prepayments for intangible assets	Total
<b>Gross book value as at January 1, 2025</b>	<b>39,544</b>	<b>6,981</b>	<b>5,857</b>	<b>964</b>	<b>53,346</b>
Additions	-	-	598	264	862
Transfer	-	550	-	(550)	-
Derecognition	-	-	(43)	(369)	(412)
Net foreign exchange differences on translation	-	-	83	(41)	42
<b>Gross book value as at December 31, 2025</b>	<b>39,544</b>	<b>7,531</b>	<b>6,495</b>	<b>268</b>	<b>53,838</b>
<b>Accumulated amortization and impairment as at January 1, 2025</b>	<b>(36,343)</b>	<b>(4,422)</b>	<b>(4,801)</b>	<b>-</b>	<b>(45,566)</b>
Amortization charge for the year	(1,583)	(1,501)	(1,192)	-	(4,276)
Derecognition	-	-	23	-	23
Net foreign exchange differences on translation	1	2	(73)	-	(70)
<b>Accumulated amortization and impairment as at December 31, 2025</b>	<b>(37,925)</b>	<b>(5,921)</b>	<b>(6,043)</b>	<b>-</b>	<b>(49,889)</b>
<b>Net book value as at January 1, 2025</b>	<b>3,201</b>	<b>2,559</b>	<b>1,056</b>	<b>964</b>	<b>7,780</b>
<b>Net book value as at December 31, 2025</b>	<b>1,619</b>	<b>1,610</b>	<b>452</b>	<b>268</b>	<b>3,949</b>

	IP rights	Software generated internally	Software acquired externally	Prepayments for intangible assets	Total
<b>Gross book value as at January 1, 2024</b>	<b>39,743</b>	<b>5,690</b>	<b>3,766</b>	<b>1,653</b>	<b>50,852</b>
Additions	-	-	2,076	1,097	3,173
Transfers	-	1,291	-	(1,291)	-
Derecognition	(206)	-	-	(508)	(714)
Net foreign exchange differences on translation	7	-	15	13	35
<b>Gross book value as at December 31, 2024</b>	<b>39,544</b>	<b>6,981</b>	<b>5,857</b>	<b>964</b>	<b>53,346</b>
<b>Accumulated amortization and impairment as at January 1, 2024</b>	<b>(34,959)</b>	<b>(2,530)</b>	<b>(3,509)</b>	<b>-</b>	<b>(40,998)</b>
Amortization charge for the year	(1,583)	(1,897)	(1,305)	-	(4,785)
Derecognition	206	-	-	-	206
Net foreign exchange differences on translation	(7)	5	13	-	11
<b>Accumulated amortization and impairment as at December 31, 2024</b>	<b>(36,343)</b>	<b>(4,422)</b>	<b>(4,801)</b>	<b>-</b>	<b>(45,566)</b>
<b>Net book value as at January 1, 2024</b>	<b>4,784</b>	<b>3,160</b>	<b>257</b>	<b>1,653</b>	<b>9,854</b>
<b>Net book value as at December 31, 2024</b>	<b>3,201</b>	<b>2,559</b>	<b>1,056</b>	<b>964</b>	<b>7,780</b>

No indicators for impairment recognition or reversal were identified as at December 31, 2025 and December 31, 2024 in relation to intangible assets. As at December 31, 2025, and as at the date of approval of these consolidated financial statements for issue, there were no pledges or collaterals on the Group's intangible assets.

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

## 10. Long-term investments

### Investment in Bananaz Studios Ltd

On March 17, 2024, the Company entered into a simple agreement for future equity ("SAFE") with Bananaz Studios Ltd., investing USD 3,500 thousand, alongside a call option deed agreement (the "Call Option Deed"). The SAFE included a provision for an additional investment of USD 2,500 thousand, conditional upon the achievement of certain performance milestones by Bananaz Studios Ltd. As these conditions for the second tranche were not fulfilled and, consequently, the second tranche was not funded.

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

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

During 2025, following the cessation of further financing (as disclosed in Current Report No. 4/2025), the shareholders of Bananaz Studios Ltd. resolved to convert outstanding interests. Consequently, Huuuge, Inc. received 1,110,000 ordinary shares of Bananaz Studios Ltd. (representing 5.8% of share capital) without additional consideration, as well as Huuuge, Inc.'s rights with respect to the SAFE agreement and call option deed agreement were waived. As at December 31, 2025 the fair value of the asset recognised in the line "Long-term investments" in the consolidated statement of financial position was determined to be zero based on the investee's financial position.

### Investment in Empire Games Ltd.

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

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

On November 12, 2025, the parties signed a Conversion Agreement to convert the Company's SAFE investment into 254,550 series pre-seed shares of Empire Games (the "Conversion Shares"). Upon the issue of these shares, the SAFE agreement was terminated and has no further effect. The call option was not exercised and subsequently expired.

As at December 31, 2025 the fair value of the asset recognised in the line "Long-term investments" in the consolidated statement of financial position as at December 31, 2025 was reduced by USD 1,000 thousand to zero. Accordingly, the revaluation loss of USD 1,000 thousand was recognised in the consolidated statement of comprehensive income for the year ended December 31, 2025, in the line "Other operating income/(expense), net".

## 11. Trade and other receivables

	As at December 31, 2025	As at December 31, 2024
Trade accounts receivable and accrued revenues from third parties	21,034	22,989
Tax receivables other than from corporate income taxes	4,565	5,305
Contract cost	598	564
Prepaid expenses	1,882	712
Other receivables	340	556
Allowance for expected credit losses	(36)	(424)
<b>Total trade and other receivables</b>	<b>28,383</b>	<b>29,702</b>

The movement in trade and other receivables, including other long-term assets, presented in the consolidated statement of financial position as of December 31, 2025, does not equal the movement presented within operating activities in the consolidated statement of cash flows for the year ended December 31, 2025. The variance in the amount of USD 558 thousand is attributable to the withholding tax settlement. While the movement is reflected within receivables in the statement of financial position, the corresponding cash outflow is classified under 'Income tax paid' within the Consolidated Statement of Cash Flows.

Allowance for expected credit losses	As at December 31, 2025	As at December 31, 2024
Opening balance	(424)	(472)
- increase	-	-
- decrease - reversal	388	-
- decrease - use	-	48
<b>Total allowance for expected credit losses</b>	<b>(36)</b>	<b>(424)</b>

The Group's trade receivables are primarily due from platform distributors, with standard credit terms of approximately 30 days.

Prepaid expenses consist of advance payments for future services, primarily comprising internet service subscriptions, domain registration costs, and cloud computing arrangements which do not include an intangible asset (SaaS). Other receivables include receivables due from employees and security deposits.

Allowance for expected credit losses is recognized in other operating expenses in the consolidated statement of comprehensive income. The allowance for expected credit losses referred solely to "Other receivables" in the amount of USD 36 thousand as at December 31, 2025 (USD 424 thousand as at December 31, 2024).

## 12. Other short-term financial assets

	As at December 31, 2025	As at December 31, 2024
Investment funds	4,272	-
Other deposits	2,504	2,519
Loans granted	1,394	-
Checks received	22	-
Financial contracts revaluation	(118)	(54)
<b>Total other short-term financial assets</b>	<b>8,074</b>	<b>2,465</b>

Other short-term financial assets comprise mainly investment funds, FX forward deposits and loans granted.

Investment funds represent capital allocations that do not meet the criteria under IAS 7 to be classified as cash and cash equivalents. Other deposits comprise deposits for hedging account purposes.

## 13. Cash and cash equivalents

	As at December 31, 2025	As at December 31, 2024
Money market mutual fund investments	89,562	113,654
Deposits	5,851	18,068
Cash at banks (current accounts)	5,155	5,617
Cash for buy-sell-back transactions	-	4,501
<b>Total cash and cash equivalents</b>	<b>100,568</b>	<b>141,840</b>

Cash and cash equivalents comprise cash at banks, bank deposits, and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, i.e. money market mutual funds, and cash for buy-sell-back transactions. To be classified as a cash equivalent, an instrument must have a short maturity of three months or less from the date of acquisition. For the details, please refer to Note 2.2 *Key judgements and estimates*.

During the year ended December 31, 2025, interest income generated from cash equivalents, including bank deposits, money market mutual fund investments, and buy-sell-back transactions amounted to USD 6,286 thousand. For details, please refer to Note 6 *Finance income and finance expense*.

As at December 31, 2024, the Group held USD 4,501 thousand in buy-sell-back transactions. These arrangements involve the purchase of high-quality bonds through a brokerage account with a simultaneous commitment to resell the securities at a fixed price on a future date. These investments meet the criteria indicated in IAS 7 Statement of Cash Flows, as stated above.

As at December 31, 2025, the Group held restricted cash in the amount of USD 1,691 thousand (USD 17 thousand as at December 31, 2024).

## 14. Share capital

As at December 31, 2025 and December 31, 2024, the Group's authorized and issued share capital consisted of common shares and preferred shares series A and B. The following table present the movements and reconciliation of the number of shares and their respective nominal value (nominal values are presented in USD, not thousand USD):

Shares classified as equity instruments as at December 31, 2025:

	Common shares (outstanding)		Preferred shares (series A and B)		Treasury shares		Treasury shares allocated for the existing share-based payment programs		Total (issued)	
	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value
<b>As at January 1, 2025</b>	<b>56,069,697</b>	<b>1,122</b>	<b>2</b>	<b>0</b>	<b>3,915,282</b>	<b>79</b>	<b>-</b>	<b>-</b>	<b>59,984,981</b>	<b>1,201</b>
Allocation of shares to Share-based payment program	-	-	-	-	(139,281)	(3)	139,281	3	-	-
Exercise of stock options	139,281	3	-	-	-	-	(139,281)	(3)	-	-
Repurchase of common shares under Share Buyback Scheme ("SBB")	(15,237,864)	(305)	-	-	15,237,864	305	-	-	-	-
Retirement of treasury shares	-	-	-	-	(15,237,864)	(305)	-	-	(15,237,864)	(305)
<b>As at December 31, 2025</b>	<b>40,971,114</b>	<b>820</b>	<b>2</b>	<b>0</b>	<b>3,776,001</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>44,747,117</b>	<b>896</b>

Shares classified as equity instruments as at December 31, 2024:

	Common shares (outstanding)		Preferred shares (series A and B)		Treasury shares		Treasury shares allocated for the existing share-based payment programs		Total (issued)	
	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value
<b>As at January 1, 2024</b>	<b>62,977,148</b>	<b>1,260</b>	<b>2</b>	<b>0</b>	<b>4,147,628</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>67,124,778</b>	<b>1,344</b>
Allocation of shares to Share-based payment program	-	-	-	-	(232,346)	(5)	232,346	5	-	-
Exercise of stock options	232,346	5	-	-	-	-	(232,346)	(5)	-	-
Repurchase of common shares under Share Buyback Scheme ("SBB")	(7,139,797)	(143)	-	-	7,139,797	143	-	-	-	-
Retirement of treasury shares	-	-	-	-	(7,139,797)	(143)	-	-	(7,139,797)	(143)
<b>As at December 31, 2024</b>	<b>56,069,697</b>	<b>1,122</b>	<b>2</b>	<b>0</b>	<b>3,915,282</b>	<b>79</b>	<b>-</b>	<b>-</b>	<b>59,984,981</b>	<b>1,201</b>

As at December 31, 2025 Company was authorized to issue up to 85,300,474 shares with a par value of USD 0.00002 (85,300,472 common shares and 1 share of series A preferred share and 1 share of series B preferred share), out of which as at December 31, 2025, 15,463,909 shares were allocated to a reserve that could be issued only with majority shareholders' approval (86,764 as at December 31, 2024).

As at December 31, 2025, the issued share capital of the Company comprised 44,747,117 shares (fully paid) with a par value of USD 0.00002 per share and the total value of USD 896 (not thousands), including 40,971,114 common shares held by shareholders, 2 preferred shares (one preferred share of series A and one preferred share of series B), and 3,776,001 common shares reacquired by the Company and not redeemed (presented in the tables above: treasury shares and treasury shares allocated to the existing share-based payment programs).

As at December 31, 2024, the issued share capital of the Company comprised 59,984,981 shares (fully paid) with a par value of USD 0.00002 per share and the total value of USD 1,201 (not thousands), including 56,069,697 common shares held by shareholders, 2 preferred shares (one preferred share of series A and one preferred share of series B), and 3,915,282 common shares reacquired by the Company and not redeemed (presented in the tables above: treasury shares and treasury shares allocated to the existing share-based payment programs).

During the year 2025, the number of shares (not issued) allocated to the existing share-based payment programs was reduced by 139,281 shares. This is because 139,281 treasury shares were delivered to employees for the options exercised during the year ended December 31, 2025. As at December 31, 2025, 9,720,552 shares with a par value of USD 0.00002 per share were reserved for two stock option programs established in 2015 and 2019.

During the year 2024, the number of shares (not issued) allocated to the existing share-based payment programs was reduced by 232,346 shares. This is because 232,346 treasury shares were delivered to employees for the options exercised during the year ended December 31, 2024. As at December 31, 2024, 9,859,833 shares with a par value of USD 0.00002 per share were reserved for two stock option programs established in 2015 and 2019.

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

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

As at December 31, 2025 and December 31, 2024, no shareholder owned over 50% of the Company's equity or had more than 50% of voting rights. The Company's major shareholder is Mr. Anton Gauffin, founder and Executive Chairman of the Board, who participates in the Company's ordinary shares indirectly (through shares of Big Bets OU).

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

In the year ended December 31, 2025, the following transactions took place:

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

In the year ended December 31, 2025, 414,258 share options held by employees under the share-based payment program were exercised. Of these, 414,258 options exercised resulted in the delivery of 139,281 treasury shares to employees before December 31, 2025 (the difference between the number of options exercised and the number of treasury shares delivered is due to cashless exercises). The delivery of treasury shares was presented as a movement from treasury shares to common

shares. The movement resulted in an increase in share capital in the amount of the nominal value of the shares delivered, and the difference between the value of treasury shares and the cash consideration received in the amount of USD 142 thousand was recognized in other reserves. At the same time, the movement decreased the number of shares (not issued) allocated to the existing share-based payment programs.

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

On September 18, 2025, the Company announced a share buyback in the form of a time-limited invitation to submit to the Company sale offers relating to shares in the Company, at a pre-determined and fixed price per share, open to all shareholders of the Company (the "Invitation") (the "SBB"). The settlement of the SBB took place on October 21, 2025 (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 7.8751. 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 October 20, 2025 (as the day preceding the Settlement Date), which is 3.63.

In the course of the SBB:

- The Company acquired 15,237,864 shares of common stock of its own shares for the total amount of USD 119,999,703, which constituted 25.40% share capital of the Company,
- Big Bets OÜ sold to the Company 5,098,885 shares of common stock of the Company, constituting 8.50% of the share capital of the Company,
- RPII HGE LLC sold to the Company 2,064,446 shares of common stock of the Company, constituting 3.44% of the share capital of the Company.

Prior to the SBB settlement, the Company owned 3,804,501 common shares that represented 6.34% of the Company's share capital and did not entitle the Company to voting rights. Following the settlement of the SBB, the Company owned a total of 19,042,365 shares that represented 31.75% of the Company's share capital and do not entitle the Company to voting rights. Consequently, following the settlement of the SBB, there were 59,984,981 shares of the Company issued and conferring 40,916,818 votes in total at the general meeting of the Company.

On October 22, 2025, in accordance with Section 243 of the Delaware General Corporation law, the Board of Directors adopted a resolution on the retirement of 15,237,864 shares of common stock of the Issuer representing 25.40% of the issued share capital of the Company at the time (as announced in Current Report no. 19/2025). The shares that were subject to the retirement were purchased by the Company during the SBB with the intention that the shares will be retired, other than those shares necessary, in the Company's view, to satisfy its ongoing needs under the Issuer's employee stock option plans.

Effective as of the adoption of the resolution of the Board of Directors, the retired shares resumed the status of authorized and unissued shares of the common stock of the Issuer. At the same time, the Issuer's issued share capital decreased from 59,984,981 to 44,747,117 shares.

In the year ended December 31, 2024, the following transactions took place:

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

In the year ended December 31, 2024, 381,123 share options held by employees under the share-based payment program were exercised. Of these, 381,123 options exercised resulted in the delivery of 232,346 treasury shares to employees before December 31, 2024 (the difference between the number of options exercised and the number of treasury shares delivered is due to cashless exercises).

The delivery of treasury shares was presented as a movement from treasury shares to common shares. The movement resulted in an increase in share capital in the amount of the nominal value of the shares delivered, and the difference between the value of treasury shares and the cash consideration received in the amount of USD 286 thousand was recognized in other reserves.

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

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

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

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

In the course of the SBB:

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

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

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

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

- **Authorised capital decrease**

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

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

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

1. The authorized capital comprised 85,300,474 shares divided into two classes, consisting of (i) 85,300,472 shares of common stock with a par value of USD 0.00002 per share and (ii) 2 shares of preferred stock with a par value of USD 0.00002 per share, divided into two series consisting of 1 Series A share of preferred stock with a par value of USD 0.00002 per share and 1 Series B share of preferred stock with a par value of USD 0.00002 per share;

2. The issued capital was 59,984,981 and consists of (i) 59,984,979 shares of common stock with a par value of USD 0.00002 per share and (ii) 2 shares of preferred stock with a par value of USD 0.00002 per share, divided into two series consisting of 1 Series A share of preferred stock with a par value of USD 0.00002 per share and 1 Series B share of preferred stock with a par value of USD 0.00002 per share.

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

## 15. Share-based payment arrangements

The Group maintains two equity-settled share-based incentive plans: ESOP 2015 (established April 3, 2015) and ESOP 2019 (established October 19, 2019). These programs entitle employees and consultants to purchase shares in the Company. Each option represents the right to acquire one common or treasury share of the Company at a predetermined exercise price.

The vesting condition for both ESOP 2015 and 2019 programs is to provide the service continuously for 3-4 years from the grant date. The grant date is defined as the date on which a formal agreement is executed between the Group and the participant. The following vesting schedule is applicable depending on the particular grant:

- about 25% of the shares options vest and become exercisable on a 12-month anniversary of the vesting commencement date, with the remaining vesting in equal monthly installments; or
- options vest and become exercisable in equal installments for each full month of continuous service completed.

For such share-based payments staged vesting applies i.e. each instalment with different vesting period is treated as a separate award with a different vesting period.

In addition to service conditions, certain grants under the ESOP 2019 plan include market or non-market performance conditions, as detailed below:

### *Executive Chairman of the Board options*

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

The vesting conditions for the options are the following:

- 50,000 options require continuous service for a period about 4 years from the service commencement date. The service condition was fulfilled.
- 375,000 options are subject to market conditions, related to the Company's market capitalization milestones. The Group has estimated the expected vesting period to be six years from the service commencement date, representing the period over which the market capitalization targets are expected to be achieved.

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

#### *Options granted to key management personnel*

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

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

#### *Modification of the options granted to key management personnel*

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

As a result, for 2,559,446 options the exercise price and the number of the options has been decreased, and vesting market conditions have been substituted by the performance conditions to meet specified EBITDA and Revenue targets. The total expense related to the modification of these options for the year ended December 31, 2025, amounted to USD 62 thousand.

As at December 31, 2025, after the modification, 736,631 of these options remained outstanding. The outstanding modified options are subject to the following vesting criteria:

- 219,779 options require continuous service for a period about 4 years from the service commencement date.
- 516,852 options are subject to both a continuous service requirement, and the achievement of specified non-market performance conditions, namely consolidated EBITDA and Revenue targets as defined in the modification agreement.

#### *Options granted during the year*

On May 15, 2025, Huuuge, Inc. the Board of Directors adopted a separate resolution, based on which 894,519 options were granted under employee stock option plan "ESOP 2019" to key employees of the Group (including 611,623 options for key management personnel of Huuuge, Inc. Group). These options are subject to both a continuous service requirement, and the achievement of specified non-market performance conditions, namely consolidated EBITDA and Revenue targets.

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

On July 8, 2025, and August 21, 2025 Huuuge, Inc. the Board of Directors adopted a separate resolution, based on which 13,204 options were granted under employee stock option plan to key employees of the Group. These options are subject to both a continuous service requirement, and the achievement of specified non-market performance conditions, namely consolidated EBITDA and Revenue targets.

As at December 31, 2025, there were 9,720,552 shares reserved for the ESOP that were not yet allocated to employees (9,859,833 as at December 31, 2024). The Group retains discretion regarding the utilization of unallocated shares. Management may elect to allocate those to employees within the share-based program, retain, or withdraw from the program.

In 2025 the Company's Board of Directors granted 907,723 options (710,000 in 2024).

Shares option expense for the year 2025 amounts to USD 2,384 thousand (USD 3,485 thousand in 2024) and was booked against equity (employee benefit reserve), which amounted to USD 31,618 thousand as at December 31, 2025 (USD 29,234 thousand as at December 31, 2024).

Details of the grants are presented in the table below:

Grant date	Number of instruments granted *	Expiry date
Granted in 2015	293,292	June 1, 2025
Granted in 2016	175,058	June 1, 2026 - December 1, 2026
Granted in 2017	386,310	February 1, 2027 - December 1, 2027
Granted in 2018	131,000	December 1, 2024
Granted in 2019	243,525	December 1, 2024 – November 6, 2025
Granted in 2020	738,024	April 1, 2027– November 11, 2027
Granted in 2021	4,111,765	February 2, 2028 – September 10, 2028
Granted in 2022	656,971	January 3, 2029 – August 5, 2029
Granted in 2023	3,270,000	October 3, 2030 - November 6, 2030
Granted in 2024	710,000	February 6, 2031 - September 30, 2031
May 15, 2025	894,519	May 15, 2032
July 2, 2025	9,098	July 2, 2032
August 20, 2025	4,106	September 30, 2031
<b>Subtotal granted in 2025</b>	<b>907,723</b>	
<b>Total</b>	<b>11,623,668</b>	

\* The number of options granted before January 20, 2021 is presented in the amount before the share split on a one for five basis.

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

	Year ended December 31, 2025	
	Number of options	Weighted average exercise price
<b>Balance as at January 1</b>	<b>5,353,223</b>	<b>6.08</b>
Granted during the year	907,723	0.01
Increase due to modification in the year	586,077	0.01
Decrease due to modification in the year	(2,559,446)	5.78
Forfeited during the year	(916,829)	6.05
Exercised during the year	(414,258)	4.29
Expired during the year	(220,324)	5.72
<b>Balance as at December 31</b>	<b>2,736,166</b>	<b>3.36</b>

	Year ended December 31, 2024	
	Number of options	Weighted average exercise price
<b>Balance as at January 1</b>	<b>5,534,416</b>	<b>5.75</b>
Granted during the year	710,000	6.59
Forfeited during the year	(448,549)	5.37
Exercised during the year	(381,123)	3.33
Expired during the year	(61,521)	4.56
<b>Balance as at December 31</b>	<b>5,353,223</b>	<b>6.08</b>

As at December 31, 2025, 843,292 share options were exercisable, with the weighted average exercise price of USD 3.56 per share. As at December 31, 2024, 1,180,503 share options were exercisable, with the weighted average exercise price of USD 4.84 per share.

The below table presents a summary of share prices at the exercise dates:

	Grant date	Exercise price	Fair Market Value on exercise date	Number of stock options exercised
Exercised in 2019	May 29, 2015 - December 1, 2018	\$0.0002 - \$4.15	\$14.09 - \$15.03	31,363
Exercised in 2020	May 29, 2015 - November 6, 2019	\$0.0002 - \$13.50	\$15.03 - \$18.62	176,009
Exercised in 2021 (before share split)	May 29, 2015 - December 1, 2016	\$0.0002 - \$0.79	\$54.53	6,411
Exercised in 2021 (after share split)	May 29, 2015 - November 20, 2020	\$0.00004 - \$3.72	\$6.23 - \$12.03	1,851,622
Exercised in 2022	May 29, 2015 - January 3, 2022	\$0.11 - \$4.13	\$3.58 - \$5.68	2,072,355
Exercised in 2023	May 29, 2015 - August 1, 2022	\$0.00004 - \$6.18	\$5.31 - \$7.02	1,693,330
Exercised in 2024	December 1, 2017 - August 1, 2022	\$0.83 - \$6.18	\$4.01 - \$7.37	381,123
Exercised in 2025	December 1, 2017 - October 3, 2023	\$0.83 - \$5.82	\$4.26 - \$7.06	414,258

For share options outstanding at the end of the reporting periods, the range of exercise prices and weighted-average remaining contractual life was as follows:

As at December 31, 2025:

Exercise price in USD	Number of outstanding stock options	Weighted average remaining contractual life (in years)
0.01 - 0.83	1,549,018	6.17
3.01 - 3.92	578,691	2.93
5.05 - 13.51	608,457	3.22
<b>Total:</b>	<b>2,736,166</b>	<b>4.83</b>

As at December 31, 2024:

Exercise price in USD	Number of outstanding stock options	Weighted average remaining contractual life (in years)
0.83	75,025	2.84
2.70 - 3.92	1,020,056	3.89
4.13 - 13.51	4,258,142	5.55
<b>Total:</b>	<b>5,353,223</b>	<b>5.20</b>

The fair value of the employee share options without market conditions has been measured using the Black-Scholes option pricing model by an independent appraiser, the valuation assumptions summarized below. The underlying price of the common stock was determined using the fair value as of the option grant dates. The exercise prices of the options were determined by the Board of Directors of the Company in the participant agreements. The risk-free rate is based on the U.S. Treasury yield curve

as of the grant date, with a maturity consistent with the expected life of the options. Expected life calculation incorporates the weighted average of vesting period, expiration period, and the contractual term. Dividend yield is assumed to be zero.

The fair value of the employee share options with market conditions has been measured using the Binomial model by an independent appraiser. The model utilizes a multi-period approach to simulate potential future share price paths (backward induction), allowing for the incorporation of the term structure of volatility and interest rates. The valuation accounts for the probability of achieving the specified market capitalization targets within the contractual timeframe and the resulting impact on the expected vesting period.

Based on the analysis and the factors specific to the Company, an equity volatility of 37.0%-80.0% (37.0% - 80.0% for the year ended December 31, 2024) was used in the option pricing model. Expected volatility was based on historical volatility of a similar industry sector for the year ended December 31, 2024.

The inputs used in the measurement of the fair values at the grant dates of the equity-settled share-based payment plan for the options outstanding as of December 31, 2025, and as of December 31, 2024, were as follows:

	As at December 31, 2025	As at December 31, 2024
Fair value at grant date	1.14 – 6.64	0.93 – 6.64
Share price at grant date	2.50 – 9.49	2.50 – 9.49
Exercise price	0.01 – 13.51	0.83 – 13.51
Expected volatility (weighted average)	36.97% – 80.00%	36.97% – 80.00%
Expected life (weighted average)	1.46 – 6.38	2.44 – 6.10
Risk-free interest rate	0.21% – 5.04%	0.21% – 5.04%

The effect of the fair value measurement (which includes cost recognised for the period as well as derecognition of the cost when non-market vesting conditions are not met) is reflected in the profit and loss against equity (USD 2,384 thousand was expensed in 2025 and USD 3,485 thousand in 2024) – please refer to Note 5 *Salaries and employee-related costs* and to the consolidated statement of changes in shareholders' equity. These costs were allocated to "Sales and marketing expenses", "Research and development expenses" and "General and administrative expenses" lines in the consolidated statement of comprehensive income.

During the year ended December 31, 2025, 414,258 options were exercised in total under the share-based payment program, and 139,281 treasury shares were delivered for all options exercised (the difference of 274,977 options is due to cashless exercises). Cash payments received for the shares delivered to employees before December 31, 2025 amounted to USD 142 thousand.

During the year ended December 31, 2024, 381,123 options were exercised in total under the share-based payment program, and 232,346 treasury shares were delivered for all options exercised (the difference of 148,777 options is due to cashless exercises). Cash payments received for the shares delivered to employees before December 31, 2024 amounted to USD 286 thousand.

## 16. Goodwill

For the purpose of impairment testing, the whole Group is determined to be one cash-generating unit, to which goodwill resulting from business combinations is allocated in full. The following table presents the reconciliation of the carrying amount of goodwill for the years ended December 31, 2025, and December 31, 2024:

	As at December 31, 2025	As at December 31, 2024
<b>Amount as the beginning of the year</b>	<b>2,408</b>	<b>2,554</b>
Goodwill arising from the acquisitions	2,606	2,606
Foreign exchange differences	106	(198)
Impairment	-	-
<b>Amount as the end of the year</b>	<b>2,712</b>	<b>2,408</b>

HUUUGE, INC. GROUP CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2025 prepared in accordance with International Financial Reporting Standard as adopted by the European Union  
(all amounts in tables presented in thousand USD, except where stated otherwise)

This version is a pdf of executed xHTML Consolidated financial statements as at and for the year ended December 31, 2025. In case of any discrepancies xHTML version shall prevail.

The recoverable amount of the net assets of the Group has been determined based on their fair value (Level 1) as at December 31, 2025, i.e. market capitalization. As the recoverable amount exceeded the carrying amount of the net assets (including goodwill), no impairment was recognized as at December 31, 2025.

When performing the test for impairment, the recoverable amount of a cash-generating unit is determined based on the fair value less costs of disposal, and then compared to the cash-generating unit's carrying amount.

## 17. Trade, other payables and deferred income

	As at December 31, 2025	As at December 31, 2024
Trade accounts payable to third parties	1,603	1,238
Accrued expenses	4,904	3,392
Tax payables other than from corporate income taxes	3,411	2,986
Employee liabilities	1,802	2,422
Other accounts payable	1,415	1,388
<b>Trade and other payables</b>	<b>13,135</b>	<b>11,426</b>

As at December 31, 2025, and December 31, 2024, accrued expenses primarily consist of marketing and advertising obligations, as well as accruals for professional services, including audit and advisory fees.

Deferred income, presented in a separate line of the statement of the financial position, amounting to USD 1,993 thousand as at December 31, 2025 (USD 1,879 thousand as at December 31, 2024), represents a contract liability related to players' unused coins at the end of the reporting period as described in Note 2.2 *Key judgement and estimates – estimate of the progress towards complete satisfaction of the performance obligation*.

## 18. Leases

The Group enters into lease arrangements primarily for office space and vehicle fleets. Furthermore, the Group maintains contracts for low-value office equipment (e.g., coffee machines). The Group applies the short-term lease and lease of low-value assets recognition exemptions provided under IFRS 16. Payments associated with these leases are recognized as an expense in the consolidated statement of comprehensive income. For all other leases, a right-of-use (ROU) asset and a corresponding lease liability are recognized at the commencement date.

Lease agreements are typically concluded for fixed periods but may include extension or termination options. Management exercises judgment in evaluating whether it is reasonably certain that an extension option will be exercised or a termination option will not be exercised.

During the years ended December 31, 2025, and December 31, 2024, there were no material additions to the Group's right-of-use assets. The carrying amounts and movements of recognized right-of-use assets are summarized in the tables below:

	Offices	Cars	Total
<b>as at January 1, 2025</b>	<b>4,781</b>	<b>66</b>	<b>4,847</b>
extension of contracts, remeasurement due to indexation and other	572	18	590
foreign exchange differences on translation	529	7	536
depreciation	(2,937)	(58)	(2,995)
<b>as at December 31, 2025</b>	<b>2,945</b>	<b>33</b>	<b>2,978</b>

	Offices	Cars	Total
<b>as at January 1, 2024</b>	<b>6,775</b>	<b>75</b>	<b>6,850</b>
extension of contracts, remeasurement due to indexation and other	1,038	57	1,095
foreign exchange differences on translation	(203)	(4)	(207)
depreciation	(2,829)	(62)	(2,891)
<b>as at December 31, 2024</b>	<b>4,781</b>	<b>66</b>	<b>4,847</b>

The carrying amounts and movements of recognized lease liabilities are summarized in the tables below:

	Year ended December 31, 2025	Year ended December 31, 2024
<b>as at January 1</b>	<b>7,551</b>	<b>10,639</b>
additions (new leases)	-	-
extension of contracts, remeasurement due to indexation and other	647	1,283
interest expense on lease liabilities	171	236
lease payments	(4,693)	(4,255)
foreign exchange differences on translation to functional currency	(26)	(63)
foreign exchange differences on translation to USD	846	(289)
<b>as at December 31</b>	<b>4,496</b>	<b>7,551</b>
long-term	522	3,609
short-term	3,974	3,942

The Group presents the cash flow impact of lease arrangements in the consolidated statement of cash flows as follows:

- cash payments of the principal portion of lease liabilities in the year 2025 amounting to USD 4,522 thousand (USD 4,019 thousand in the year 2024) – as part of financing activities (lease repayment),
- cash interest payments on lease liabilities in the year 2025 amounting to USD 171 thousand (USD 236 thousand in the year 2024) – as part of financing activities (interest paid),
- payments related to short-term leases and leases of low-value assets amounting to USD 371 thousand in the year 2025 (USD 190 thousand in the year 2024) - as part of operating activities.

The total cash outflows for leases, including short term leases, amounted to USD 5,064 thousand in the year 2025, and USD 4,445 thousand in the year 2024.

The table below presents the amounts of income, costs, gains and losses resulting from leases which are recognized in the consolidated statement of comprehensive income for year 2025 and 2024:

	Year ended December 31, 2025	Year ended December 31, 2024
Depreciation expense of right-of-use assets	2,995	2,892
Interest expense on lease liabilities	171	236
Foreign exchange differences	(26)	(63)
<b>Total amount recognized in the consolidated statement of comprehensive income</b>	<b>3,140</b>	<b>3,065</b>

### *Sublease agreements*

The Group entities act as an intermediate lessor in several arrangements where office spaces are subleased to third parties. The lease receivable from the finance lease amounted to USD 1,328 thousand as at December 31, 2025 (USD 2,318 thousand as at December 31, 2024). As of December 31, 2025, the Group held two short term agreements classified as operating leases. The income from interest received from finance sublease amounted to USD 107 thousand during the year 2025 (USD 166 thousand in the year 2024). The income from the operating lease amounting to USD 773 thousand is presented in the line "Other operating income/(expense), net" in the consolidated statement of comprehensive income during the year ended December 31, 2025.

The amount of future contractual payments under operating subleases is USD 324 thousand as of December 31, 2025.

## **19. Contingencies**

### **Tax contingent liabilities**

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

Tax authorities may examine accounting records retrospectively: for 3 years in the United States (and up to 6 years in case of substantial errors), 5 years in Poland, 6 years in Cyprus (and up to 12 years in case of substantial errors) and 4-6 years (and up to 7 years in case of substantial errors) in Israel. Consequently, the Parent Company and subsidiaries may be subject to additional tax liabilities, which may arise as a result of tax audits. The Board of Directors of the Parent Company believes that there was no need to record any provisions for known and quantifiable risks in this regard, as, in their assessment, there are no such uncertain tax positions for which it would be probable that the taxation authority will not accept the tax treatment applied by the Group. Consequently, no provisions for uncertain tax positions have been recognized. The Group continually monitors changes in tax laws and administrative interpretations to ensure the continued appropriateness of this assessment.

### **Litigation and other legal proceedings**

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

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

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

As at the date of approval of these annual consolidated financial statements for issue, the Company and/or its subsidiaries has become involved in a number of pending litigations and arbitrations:

- On March 8, 2023, a plaintiff filed a complaint in the Circuit Court of Franklin County Alabama alleging that the Company's social casino games are unlawful gambling under Alabama law. The plaintiff withdrew the original complaint without prejudice for procedural reasons, and, on September 14, 2023, re-filed an amended complaint. As in the original complaint, the lawsuit seeks to recover all amounts paid by Alabama residents to the Company in those games during the period beginning one year before the filing of the lawsuit (i.e. September 14, 2022) until the case is resolved. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On November 1, 2023, the Company filed a motion to dismiss the amended complaint and on December 15, 2023, the Company filed a motion to compel arbitration. On June 7, 2024, the judge denied the Company's motion to dismiss and the Company's motion to compel arbitration. On July 17, 2024, the Company filed a notice of appeal. The Supreme Court of Alabama held oral argument on March 5, 2025. On April 25, 2025, the Supreme Court of Alabama issued an order compelling arbitration. On May 14, 2025, the state court stayed the case pending the outcome of the arbitration. On June 17, 2025, the plaintiff filed a motion to lift the stay. On July 7, the court issued an order denying the motion to lift the stay. July 23, 2025, the Company received a notice of the demand filed with American Arbitration Association from the plaintiff. The case is proceeding in arbitration. The initial briefs of the parties have been exchanged on November 21, 2025. The company challenged the jurisdiction of American Arbitration Association over the dispute. On January 28, 2026, the arbitrator issued an order that American Arbitration Association has authority to adjudicate the dispute only as to the users who have played the games on or before October 6, 2023. On February 25, 2026, the Company received a notice of the demand filed with JAMS from the plaintiff. The demand filed with JAMS pertains to the users who have played the games after October 6, 2023. In addition, on June 6, 2025, the plaintiff's husband filed a class action complaint in the Circuit Court of Franklin County alleging that social casino games published by the Company constitute illegal gambling under Alabama law. On October 6, 2025, the case was removed to the federal court. On October 29, 2025, the plaintiff filed a motion to remand the case to the state court. The Company plans to file an opposition to the motion to remand by December 4, 2025. The plaintiff, on behalf of himself and all others similarly situated, demands recovery of the amount paid through purchases of virtual currency on Company's games within the six months preceding the filing of this complaint. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. As of the date of the approval of these annual consolidated financial statements 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 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 purported to be a nationwide class action, which also includes potential California and Illinois subclasses. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On January 24, 2024 the Company and the plaintiffs have signed an agreement to settle the case in exchange for the distribution to each class member of at least 375 virtual diamonds within the Company's games, and at least an aggregate total of 412.5 million virtual diamond, and USD 1,700 thousand in cash for attorneys' fees, costs of claims administration, and named plaintiff incentive awards. The Company also agreed in the settlement to make changes: (a) in game play, allowing players to engage in certain forms of continuous game play; and b) in advertising practices. The settlement was subject to court approval and to the Company's option to cancel the settlement if 1,000 or more class members elect to opt out of the settlement. The Court has recently rejected final approval meaning that the case is again to be actively litigated and the settlement is ineffective. In March plaintiffs filed a First Amended Complaint. The First Amended Complaint adds Billionaire Casino Ltd. And Huuuge Global Ltd as defendants in addition to Huuuge, Inc. The complaint also adds claims under the RICO act, but is still based on allegations that the games were illegal gambling and falsely advertised. The Company's response is due in April. The Company created a provision in the amount of USD 1,700 thousand, out of which the unused remaining balance amounts to USD 1,535 thousand, to the best belief of the Company's management, adequately reflects the financial exposure for the Company as of December 31, 2025, and as of the date of approval of these annual consolidated financial statements for issue.
- On November 13, 2023, a plaintiff filed a complaint in the Circuit Court of Coffee County Tennessee alleging that the Company's social casino games are unlawful gambling under Tennessee law. The lawsuit seeks to recover all amounts paid by Tennessee residents to the Company in those games during the period beginning one year before the filing of the lawsuit (i.e. November 13, 2022) until the case is resolved. The Company does not agree with the allegations and requests for relief

made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On December 21, 2023, the Company removed the case to the US District Court for the Eastern District of Tennessee, and the case was subsequently remanded to the Circuit Court. On November 8, 2024, the Company filed a motion to compel arbitration and a motion to dismiss. On April 25, 2025, the Court issued an order granting the motion and giving the plaintiff until August 29, 2025 to amend the complaint. The Company removed the case to the federal court on September 29, 2025. On January 9, 2026, the Company filed a joint stipulation to arbitrate the case, and, on January 13, 2026, the Court granted the motion to compel arbitration. The case is stayed pending arbitration.

- On August 22, 2024, a plaintiff filed a complaint in the United States District Court for the Western District of Kentucky Owensboro Division alleging that the Company's social casino games are unlawful gambling under Kentucky law. The lawsuit seeks to recover treble the total of all amounts paid by Kentucky residents to the Company in those games during the period beginning five years before the filing of the demand (i.e. August 22, 2019) until the case is resolved. On January 31, 2025, the Company filed a motion to dismiss and a motion to compel arbitration. On May 27, 2025, the court denied both motions with the right to refile. On July 11, 2025, the Company filed a renewed motion to compel arbitration and the issues are fully briefed. On November 21, 2025, the Court directed the parties to file simultaneous briefs on the issue of Article III standing. On December 22, 2025, the parties exchanged the briefs. As of the date of approval of these annual consolidated financial statements for issue, the parties are awaiting the judge's decision on the standing issue. As of the date of approval of these annual consolidated financial statements for issue, the parties are awaiting the judge's decision on the motion. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. As of the date of approval of these annual consolidated financial statements for issue, to the best of the Company's knowledge, the litigation is not expected to have a material impact on the Company's operations, financial condition or cash flows.

Except for the abovementioned proceedings, neither the Company nor any of its subsidiaries were, as at December 31, 2025, or as at the date of approval of these annual consolidated financial statements for issue, a party to any significant court or arbitration proceedings or before any public authority.

## 20. Pledges, collaterals and other off-balance sheet positions

During the reporting periods and till the date of issuing these consolidated financial statements neither the Group nor individual subsidiaries entered into any agreements involving the pledge of Group assets as collateral for third-party liabilities or credit facilities.

Huuuge Global Ltd and Huuuge Games Sp. z o.o. have entered into agreement for the purpose of conducting forward and derivative transactions. Under the terms of this agreement, the participating entities are held jointly and severally liable for obligations arising from executed transactions. As of December 31, 2025, the maximum contingent exposure under this arrangement is limited to a total of USD 21,102 thousand.

## 21. Related party transactions

On October 21, 2025, Anton Gauffin (through Big Bets OÜ) and Raine Group (through RPII HGE LLC), sold 7,163,331 shares in total under the Share Buy-back amounting to USD 56,412 thousand.

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

There is no ultimate controlling party.

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

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

Board of Directors of HUUUGE, Inc., Officers and Global Management	Year ended December 31, 2025	Year ended December 31, 2024
Base salaries	4,735	4,613
Bonuses	277	-
Share-based payments	2,210	3,191
<b>Total</b>	<b>7,222</b>	<b>7,804</b>

The amounts presented above include compensation of members of the Board of Directors of HUUUGE, Inc., Officers and Global Management team members. The amounts for the year 2025 and 2024 reflect the changes in composition of these teams throughout the respective periods.

Share-based payment remuneration includes cost recognized during the period in accordance with the vesting schedule, as well as the cost reversed when a member of the executive management team ends the tenure with the Company, i.e., when the service condition is not met. During the year ended December 31, 2025, the cost recognized amounted to USD 2,561 thousand and cost reversed amounted to USD 351 thousand (USD 3,306 thousand of cost recognized and cost reversed amounted to USD 115 thousand during the year ended December 31, 2024).

During the year ended December 31, 2025 members of the Officers and Global Management team exercised 44,415 options (92,989 options during the year ended December 31, 2024).

On October 21, 2025, members of the Executive Management, Global Management teams and their close family members sold 302,366 shares in total under Share Buy-back amounting to USD 2,381 thousand.

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

Non-executive directors are remunerated with a fixed annual fee for their board services, and an additional compensation is provided for those serving as Chairpersons or members of the Audit Committee or the Remuneration and Nomination Committee.

## 23. Audit fees

	Year ended December 31, 2025	Year ended December 31, 2024
Audit of financial statements	262	258
Review of interim financial statements	62	64
Other services	33	32
<b>Total</b>	<b>357</b>	<b>354</b>

Audit of financial statements services consist of fees for the audit of separate financial statements of HUUUGE Inc., the audit of the Group's consolidated financial statements prepared in accordance with IFRS, as well as the audit of separate financial statements of the Group's subsidiaries prepared in accordance with local generally accepted accounting principles, to the extent performed by the Group Auditor. Audit services performed for HUUUGE Global Ltd. include standard tax compliance services.

## 24. Unusual events

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

Huuuge's office in Tel Aviv, Israel accounts for approximately 6% of the Group's total headcount, which includes one senior management position of our Huuuge Casino Studio. Since October 7, 2023, when Hamas militants conducted attacks from the Gaza Strip, Israel has been engaged in ongoing military conflict. A ceasefire agreement took effect on October 10, 2025. The security situation was further impacted by the joint Israeli and U.S. military operations against strategic Iranian facilities in the last days of February 2026, which marked a significant escalation in regional tensions.

The Company maintains comprehensive contingency plans to ensure business continuity, including remote work capabilities for Israeli-based teams and redundancy in critical functions. Our technology infrastructure continues to operate on cloud-based systems maintained through geographically distributed data centers and availability zones in the US and EU, ensuring operational resilience. None of our critical systems rely on data centers in Israel or nearby regions.

The internal task force established in 2023 remains active, though its focus has shifted from crisis management to long-term continuity and monitoring. This group ensures that core competencies remain covered and that the Company can respond instantly to any change in the security landscape.

As of the date of these annual consolidated financial statements, the conflict in Israel had no material impact on the Group's operations or financial performance.

## 25. Subsequent events

After December 31, 2025 and up to the date of approval of these consolidated financial statements for issue no significant events have occurred.



*Electronically signed*  
*Wojciech Wronowski,*  
*Officer of Huuuge, Inc., CEO*

March 19, 2026



## **HUUUGE, INC.**

2300 W Sahara Ave.,  
Suite #680, Mailbox #32,  
Las Vegas, NV 89102  
United States of America

## **CONTACT FOR INVESTORS**

[ir@huuugegames.com](mailto:ir@huuugegames.com)  
<https://ir.huuugegames.com>  
<http://huuugegames.com>