

Auditor's report

passion

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quality

clarity

Independent Auditor's report

on the annual consolidated financial statements
of the
of the Ten Square Games Capital Group
for the financial year
from 1 January 2022 to 31 December 2022



This document is a free translation of the independent auditors' report issued in Polish in electronic format. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation to enhance understanding. The binding Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

To General Shareholders' Meeting of Ten Square Games S.A.

Report on the audit of the financial statements

Opinion on the annual consolidated financial statements

We have audited the accompanying annual consolidated financial statements of Ten Square Games S.A. Capital Group, hereinafter referred to as the "Group", where the parent company is Ten Square Games S.A. with its registered office in Wrocław (50-416) at Traugutta Street 45, hereinafter referred to as the "Parent Company", for the financial year from 1 January 2022 to 31 December 2022, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows prepared respectively as of 31 December 2022 and for the financial year then ended and related notes including accounting principles (policies) and other notes and explanatory information.

The financial statements have been prepared in a single electronic reporting format as a single reporting package entitled *tensquaregames_2022-12-31_pl.zip* and have been signed with electronic signatures by the Management Board of the Parent Company on 28 March 2023.

The annual consolidated financial statements have been prepared in accordance with applicable financial reporting framework of International Accounting Standards, International Financial Reporting Standards and related interpretations published as a Commission Regulation, hereinafter referred to as "IFRS EU".

In our opinion, the accompanying annual consolidated financial statements of Ten Square Games S.A. Capital Group:

- give true and fair view of the financial position of the Group as of 31 December 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with IFRS EU and applied accounting principles (policies),
- comply, in all material respects, as to the form and content, with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (Dz.U. [Journal of Laws] of 2018, item 757 as amended), hereinafter referred to as the "Regulation on Current and Periodic Information", the Accounting Act of 29 September 1994, hereinafter referred to as the "Accounting Act", IFRS EU as well as with provisions of the Parent Company's memorandum that affect its content.

Basis for Opinion

We conducted our audit of the annual consolidated financial statements in accordance with the National Standards on Auditing

being International Standards on Auditing as adopted in Poland by the National Chamber of Statutory Auditors, hereinafter referred to as "National Standards on Auditing", applicable to audit of financial statements prepared for the periods ended 31 December 2022, and the Act of 11 May 2017 on Statutory Auditors, Audit Firms and the Public Oversight, hereinafter referred to as the "Act on Statutory Auditors", and also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158 of 27 May 2014, p. 77 and OJ L 170, of 11 June 2014, p. 66), hereinafter referred to as "Regulation 537/2014".

Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Annual Consolidated Financial Statements" section of our report.

We are independent of the Group in accordance with the International Code of Ethics of Professional Accountants (including the International Independence Standards), hereinafter referred to as the "IESBA Code", adopted by a resolution of the National Chamber of Statutory Auditors and the requirements of independence specified in the Act on Statutory Auditors and Regulation 537/2014. We have also fulfilled our other ethical responsibilities required by the Act on Statutory Auditors, Regulation 537/2014 and IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[Key audit matters, including most significant assessed risks of material misstatements presented in accordance with the requirements of Regulation 537/2014](#)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual consolidated financial statements of the current period. They are determined from:

- a) areas of higher assessed risk of material misstatement,
- b) significant risks,
- c) significant auditor judgments relating to areas in the financial statements that involved significant management judgments,
- d) the effect on the audit of significant events and transactions that occurred during the period.

At the same time, under Regulation 537/2014, we are required to present in the audit report most significant assessed risks of material misstatements, including those which we did not assess as the key audit matter. Significant risks of material misstatement are identified and assessed risks of material misstatement that, in the auditor's judgment, require special audit consideration.



The key audit matters presented below comprise all most significant assessed risks of material misstatement referred to in Regulation 537/2014 as well as other matters determined as key audit matters.

The key audit matters and material misstatement risks were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter: Revenue from in-application purchase of virtual items

Was the key audit matter the most significant assessed risks of material misstatements?: YES

Description of the key audit matter	How the matter was addressed in the audit
<p>Users can purchase virtual items within downloaded free-to-play games. These include virtual currencies (like banknotes and pearls), virtual goods (durables e.g. fishing rods and baits) and consumable goods (e.g. amplifiers). These goods are made available to the user upon transfer of payment.</p> <p>The above revenue, presented as revenues from micropayments and licences, totalled PLN 521.929 thousand in 2022 and accounted for 96,9% of sales revenue.</p> <p>In accordance with the International Financial Reporting Standard 15 "Revenue from Contracts with Customers", hereinafter IFRS 15, revenue is recognized when or as performance obligation is satisfied by transferring a promised good or service. A good or service is transferred to a customer when they obtain control of the same.</p> <p>The Parent Company's management makes an estimate of the performance obligations for game users' use of virtual durable goods throughout the entire period of using the game. These liabilities are accounted for over the estimated average playing period of the paying users.</p> <p>The estimated contract liabilities as at the end of 2022 presented in position <i>Contract liabilities</i> amounted to PLN 68.743 thousand.</p> <p>We have determined revenue from in-application purchases of virtual items to be the key audit matter due to its significance to our audit and significant management judgements involved in the revenue recognition.</p> <p>The revenue recognition for in-application virtual goods is described in section Basis for the preparation and accounting policy of the consolidated financial statements in point 3 <i>Description of the adopted accounting principles (policy)</i>, in subsection 3.2 <i>Revenue and operating costs</i> and in subitem 3.16 <i>Significant values based on professional judgment and estimates</i>.</p> <p>Detailed information on this revenue is presented in point 1 <i>Sale revenue</i> of Additional notes and explanations to the consolidated financial statements.</p>	<p>We have gained an understanding of the accounting principles applicable in the Group in the scope of recognition and method of measurement of revenues and we have confirmed the continuity of their application.</p> <p>We have evaluated whether the revenue recognition policy is compliant with IFRS 15.</p> <p>We gained an understanding of the game scenarios offering micropayments and the process of recognizing sales revenues.</p> <p>We got familiarized with the terms of cooperation with payment aggregators, mobile stores and licensees (intermediaries) resulting from the general terms and conditions or signed contracts, with a special focus on any changes introduced in the audited period.</p> <p>We have evaluated the reasonableness of the Parent Company's management' judgments on the nature of the performance obligations arising from in-application purchases of virtual items.</p> <p>We have analyzed and assessed the assumptions and methodologies adopted by the Parent Company's management to estimate contractual obligations with customers. We confirmed the batch data in the model and its completeness.</p> <p>We have checked the mathematical correctness of the model for estimating contract liabilities and we have reconciled the amounts presented in the financial statements with the amounts resulting from this model.</p> <p>We have performed test of details which included reconciliation of revenue with the reports of in-application purchases received from intermediaries and checking the number of transactions to confirm the completeness, accuracy and the timing of revenues.</p> <p>We have analyzed sales trend to identify the reasons why the revenue changed month-to-month.</p> <p>We have reviewed disclosures relating to revenue from in - application purchases of virtual items and we evaluated whether they are adequate in light of requirements of IFRS 15.</p>

Key audit matter: Impairment of intangible assets not yet available for use and goodwill

Was the key audit matter the most significant assessed risks of material misstatements: YES

Description of the key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, the value of intangible assets relating to games not yet available for use presented in the annual consolidated statement of financial position as intangible assets under construction amounts to PLN 21,606 thousand. while goodwill</p>	<p>We familiarised ourselves with the applicable accounting policies for the valuation of intangible assets under construction and goodwill and for impairment testing and assessed their compliance with the relevant financial reporting standards.</p>



amounts to PLN 164,219 thousand, representing a total of 35.7% of the Group's assets.

In accordance with IAS 36 'Impairment of Assets', at the end of each reporting period, the Parent Company's Management Board performs impairment tests on these assets, regardless of whether there are indications of impairment.

The impairment tests involve elements of estimation and judgement, in particular regarding assumptions about the development of future cash flows and the calculation of the discount rate included in the discounted cash flow models underlying the write-downs.

Given the risk of uncertainty associated with the material judgements and estimates made by the Parent Company's management and the material value of the balance sheet items, we considered this to be a key audit matter.

Detailed figures for intangible assets under construction and goodwill, as well as disclosures and assumptions regarding their impairment testing, are presented in Notes 9 Intangible assets and 10 Goodwill of the Notes to the consolidated statement of financial position, respectively.

We obtained an understanding of the process for preparing impairment tests, including in particular the internal controls applied at the Parent Company in relation to them and the methodology for selecting comparable intangible assets as the basis for the assumptions used to prepare the projections.

We assessed whether the assumptions used in the valuation model for intangible assets under construction and goodwill as at 31 December 2022 were reasonable and based on macroeconomic and comparable market data. In particular, we assessed the financial projection assumptions used by the Company's management for revenue, costs and cash flows and the weighted average cost of capital calculation.

We verified the mathematical correctness of the discounted cash flow model.

We assessed the adequacy of the disclosures regarding the impairment tests performed on intangible assets under construction and goodwill in the annual consolidated financial statements.

Key audit matter: Correctness of income tax calculation and recognition

Was the key audit matter the most significant assessed risks of material misstatements: YES

Description of the key audit matter	How the matter was addressed in the audit
<p>The Parent Company of Ten Square Games S.A., as a company that conducts research and development activities and derives income from qualified intellectual property rights, is entitled to apply a preferential income tax rate and benefit from the IP-BOX relief.</p> <p>In order to benefit from the IP BOX relief, the Parent Company divides its tax income into income from qualified property rights and other sources and calculates the nexus ratio in accordance with the rules set out in the Corporate Income Tax Act.</p> <p>From 2022, the Parent Company changed the way it qualifies costs for the nexus ratio and thus expanded the use of the relief and increased the value of income taxed at the preferential 5% rate. As a result of these actions, corrections to the CIT tax returns for 2019-2021 were filed. The Head of Customs and Taxation initiated a tax audit for 2020, which is related to the filed correction. Following the principle of prudence, the Parent Company has not disclosed income tax receivables for 2019-2021 in the annual consolidated statement of financial position.</p> <p>Given the risk of uncertainty of the resolution of the customs and tax audit related to the change in the Parent Company's approach to accounting for income tax and the possible material impact on the consolidated financial statements, we considered this issue to be a key audit matter.</p> <p>The principles relating to the calculation of income tax and the uncertainties associated therewith are described in section 3 <i>Description of accounting policies</i> adopted in subsection 3.4 <i>Income taxes</i> of the consolidated financial statements.</p> <p>Detailed numerical information on current tax and disclosures in respect of the changes in the Parent Company's approach are presented in section 5 <i>Income tax and deferred tax</i> in the notes to the consolidated financial statements.</p>	<p>We have familiarised ourselves with the Group's accounting policies on income tax recognition and calculation.</p> <p>We reviewed the Parent Company Management Board's rationale for the broader application of the relief, including the Parent Company's tax opinion and tax interpretations which, in the opinion of the Parent Company Management Board, support the approach taken.</p> <p>We performed a detailed analysis of the calculation of the IP BOX and R&D relief for 2022, including in particular the split of income between qualified property rights income and other sources and the correctness of the calculation of the nexus ratio.</p> <p>We assessed the adequacy of the disclosures regarding the approach to income tax calculations and the recognition of assets arising from complex CIT adjustments for 2019-2021 in relation to the wider application of the relief in the annual consolidated financial statements.</p>



Other information included in the annual consolidated report

Other information comprises the financial and non-financial information included in the annual consolidated report, other than the annual consolidated financial statements or the audit report thereon. Other information comprises *inter alia* the consolidated management report for the year ended on 31 December 2022 along with the corporate governance statement referred to in Article 49(2a) of the Accounting Act.

The Management Board and members of the Supervisory Board of the Parent Company respectively are responsible for the preparation of other information.

Our opinion on the annual consolidated financial statements does not cover the other information and, unless this is clearly stated in the “*Report on Other Legal and Regulatory Requirements*” section, we do not express any form of assurance conclusion thereon. Additionally, the scope of our work and our assurance are exclusively as we have described.

In connection with the audit of the annual consolidated financial statements, in accordance with the National Standards on Auditing, we are required to read other information while conducting the audit, examine whether the other information is not materially inconsistent with the annual consolidated financial statements or our knowledge gained during the audit or if it does not otherwise seem to be materially misstated.

If based on the work that we performed on the other information we obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report with this regard.

We have been provided with the consolidated management report before the date of this audit report and the consolidated annual report will be available after this date. If we find any material misstatement in the consolidated annual report, we are required to notify thereof the Parent Company’s Supervisory Board.

Responsibilities of the Management Board and the Supervisory Board of the Parent Company for the annual consolidated financial statements

The Management Board of the Parent Company is responsible for the preparation of the annual consolidated financial statements that give true and fair view in accordance with IFRS EU, their compliance with applicable to the Group laws and regulations and the Parent Company’s memorandum.

The Management Board of the Parent Company is also responsible for such internal control as management determines is necessary to enable the preparation of the annual consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing consolidated financial statements, the Management Board of the Parent Company is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management wither intends to liquidate or to cease operations, or has no realistic alternative but to do so

The members of the Parent Company’s Supervisory Board are responsible for overseeing the financial reporting process of the Group.

Under the Accounting Act, the Management Board and members of the Supervisory Board of the Parent Company are obliged to ensure that the annual consolidated financial statements meet the requirements of the Accounting Act.

Statutory Auditor’s Responsibilities for the Audit of the Annual Consolidated Financial Statements

Our objectives are to obtain reasonable assurance as to whether the annual consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual consolidated financial statements.

While carrying out the audit, in compliance with the National Standards on Auditing:

- we exercise professional judgment and maintain professional skepticism and
- identify and assess the risks of material misstatement of the annual consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may relate to any area of law and regulations, not only the one that directly impacts the annual consolidated financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- evaluate the appropriateness of accounting principles (policies) used and the reasonableness of accounting estimates and related disclosures made by the Parent Company’s Management Board;
- conclude on the appropriateness of use by the Parent Company’s Management Board of the going concern basis while applying the adopted accounting principles (policies) and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual consolidated financial statements or, if such disclosures are inadequate, to modify our opinion about the annual consolidated financial statements. Our conclusions are based on the audit evidence obtained up



to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual consolidated financial statements, including the disclosures, and whether the annual consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain audit evidence that is sufficient and appropriate with respect to the financial information of entities and business activities within the Group to express our opinion on the annual consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the annual consolidated financial statements and remain solely responsible for our audit opinion.

We communicate with the Supervisory Board and the Audit Committee of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have submitted to the Audit Committee of the Parent Company a statement that we have complied with the relevant ethical requirements regarding independence and have communicated with the Committee all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our audit does not involve any assurance on the future viability of the Group nor the efficiency nor effectiveness with which the Parent Company's Management Board has conducted or will conduct the affairs of the Group.

From the matters communicated with the Supervisory Board of the Parent Company, we determine those matters that were of most significance in the audit of the annual consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report in the "Key audit matters (issues) and material risks of misstatement presented in accordance with Regulation 537/2014" section, with the exception of matters in case of which law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Under the Act on Statutory Auditors, we are also required to express in the audit report an opinion on whether the annual consolidated financial statements comply, at to their form and content, with the provisions of law applicable to the Group as well as the Parent Company's memorandum. We report on these matters based on the work undertaken in the course of the audit.

Report on Other Legal and Regulatory Requirements

Report on the consolidated management report

The report on the consolidated management report and the consolidated report on the operations of Company Ten Square Games S.A. have been prepared as a single document in electronic format as a file entitled *TSG_SDZ_2022-12-31_pl.xhtml* signed

with electronic signatures the Management Board of the Parent Company on 28 March 2023.

Responsibilities of the Management Board and the Supervisory Board of the Parent Company

The Management Board of the Parent Company is responsible for preparation of the consolidated management report in compliance with the law. The Management Board and members of the Supervisory Board of the Parent Company are required to ensure that the report on the Group's operations comply with the Accounting Act.

Responsibilities of the Statutory Auditor

Under the Act on Statutory Auditors and the Regulation on Current and Periodic Information, we are required to express an opinion on whether the consolidated management report has been prepared in accordance with this regulation and the Accounting Act and whether it is consistent with the information included in the annual consolidated financial statements.

Furthermore, we are also required to state, whether, in the light of the knowledge of the Group and its environment obtained during the course of the audit, we have not identified material misstatements in the consolidated management report, and report on these misstatements if noted.

We are also required to express an opinion on whether the corporate governance statement, constituting a separate part of the consolidated financial report, includes certain information enumerated in the Regulation on Current and Periodic Information, and with reference to certain information enumerated in this Regulation, whether it complies with applicable law and the information included in the annual consolidated financial statements.

We have read the consolidated management report, including the corporate governance statement. We considered whether it discloses the information required by these laws and whether the information included therein is consistent with the information included in the annual consolidated financial statements. With reference to certain information included in the corporate governance statement, we have examined whether it complies with the law. Reading the consolidated management report we also considered whether, in the light of our knowledge of the Group and its environment, it does not include material misstatements.

Opinion on the consolidated management report

In our opinion, based on the work undertaken in the course of the audit of the annual consolidated financial statements, the accompanying consolidated management report of Ten Square Games S.A. Capital Group for the financial year ended on 31 December 2022:

- was prepared in accordance with Article 49 of the Accounting Act and section 70 of the Regulation on Current and Periodic Information,
- the information presented therein is consistent with information in the audited annual consolidated financial statements.

In the light of the knowledge of the Group and its environment obtained during the course of the audit, we have not identified material misstatements in the report on the Group's operations.



Opinion on the Corporate Governance Statement

In our opinion, based on the work undertaken in the course of the audit of the annual consolidated financial statements:

- the corporate governance statement includes, the information specified in section 70(6)(5) of the Regulation on Current and Periodic Information,
- the information specified in section 70(6)(5) c)-f), h) and i) of this Regulation and included in the statement is consistent with applicable law and the information in the audited annual financial statements.

Opinion on the compliance of the marking up of the consolidated financial statements prepared up in a single electronic reporting format with the requirements of the regulatory technical standards for the specification of a single electronic reporting format

In connection with the audit of the consolidated financial statements, we were engaged to perform an assurance service providing reasonable assurance in order to express an opinion on whether the consolidated financial statements of the Capital Group as at and for the year ended 31 December 2022, prepared in a single electronic reporting format, included in the file named *tensquaregames_2022-12-31_pl.zip*, hereinafter referred to as the “consolidated financial statements in ESEF format”, have been marked up in accordance with the requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards concerning the specification of a single electronic reporting format, hereinafter referred to as the “ESEF Regulation”.

Identification of criteria and description of the object of the service

The consolidated financial statements in ESEF format was prepared by the Parent Entity’s Management Board to comply with the requirements for the marking up and technical requirements for the specification of a single electronic reporting format which are set out in the ESEF Regulation.

The object of our assurance service is the compliance of the marking up of the consolidated financial statements in ESEF format with the requirements of the ESEF Regulation, and the requirements of those regulations, in our opinion, are appropriate criteria for forming our opinion.

Responsibilities of the Management Board and the Supervisory Board of the Parent Entity

The Parent Entity’s Management Board is responsible for the preparation of the consolidated financial statements in ESEF format in accordance with the requirements for the marking up and technical requirements for the specification of a single electronic reporting format which are set out in the ESEF Regulation. This responsibility includes the selection and application of appropriate XBRL tags, using the taxonomy specified in these regulations.

The Parent Entity’s Management Board is also responsible for designing, implementation and maintenance of the internal control system ensuring that the consolidated financial statements are prepared in ESEF format and are free of any material non-conformities with the requirements of the ESEF Regulation.

The members of the Parent Entity’s Supervisory Board are responsible for supervising the process of the Group’s financial

reporting, covering also the preparation of financial statements in accordance with the format resulting from the applicable legal provisions.

Responsibilities of the Statutory Auditor

Our objective was to express an opinion based on our assurance service that provides reasonable assurance whether the consolidated financial statements in ESEF format have been marked up in accordance with the requirements of the ESEF Regulation.

We have performed the service in accordance with the National Standard on Assurance Engagements for Audits of Financial Statements Prepared in a Single Electronic Reporting Format 3001PL, hereinafter referred to as “KSUA 3001PL” and, where applicable, in accordance with the National Standard on Assurance Engagements Other than Audits and Reviews 3000 (Z) in the wording of the International Standard on Assurance Engagements 3000 (Revised) – “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, hereinafter referred to as “KSUA 3000 (Z)”.

This standard requires the statutory auditor to plan and perform procedures to obtain reasonable assurance that the consolidated financial statements in ESEF format have been prepared in accordance with the specified criteria.

Reasonable assurance is a high level of assurance, but is not a guarantee that a service performed in accordance with KSUA 3001PL, and where applicable, KSUA 3000 (Z), will always detect a material misstatement when it exists.

The procedures shall be selected at the statutory auditor’s discretion, including an assessment of risk of material distortions due to fraud or error. In the assessment of this risk, the statutory auditor takes into account the internal control related to the preparation of the consolidated financial statements in ESEF format to plan relevant procedures which are to provide the statutory auditor with sufficient evidence which is appropriate to the circumstances. The assessment of the internal control system has not been carried out in order to express an opinion on its effectiveness.

Summary of the performed work

The procedures we planned and performed were aimed to, among others:

- Gain an understanding of the process for preparing consolidated financial statements in ESEF format, including the Company’s process for selecting and applying XBRL tags and ensuring compliance with the ESEF Regulation, including an understanding of the internal control system mechanisms related to this process;
- Reconcile marked up information contained in the consolidated financial statements in ESEF format with the audited consolidated financial statements;
- Assess the compliance with the technical standards of the specification of a single electronic reporting format with the use of a specialist IT tool. Assess the completeness of marking up the information in the consolidated financial statements in ESEF format with XBRL tags;
- Assess whether the applied XBRL tags from the taxonomy defined in the ESEF Regulation have been applied appropriately and whether extension taxonomy has been used in situations where relevant elements have not been



identified in the core taxonomy defined in the ESEF Regulation;

- Assess the correctness of anchoring the applied extension taxonomy to the core taxonomy defined in the ESEF Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the compliance of the marking up with the requirements of the ESEF Regulation.

Ethical requirements, including independent status

When performing the service, the statutory auditor and PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k., hereinafter referred to as "PKF Consult", complied with the independence requirements and other ethical requirements specified in the IESBA Code. The IESBA Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have also complied with the other independence and ethics requirements that apply to this assurance service in Poland.

Quality control requirements

PKF Consult applies national quality control standards in the wording of the International Standard on Quality Control 1 – "Quality Control for Firms that Perform Audits And Reviews of Financial Statements, and Other Assurance and Related Services Engagements", adopted by the resolution of the Polish Chamber of Statutory Auditors, hereinafter referred to as "NQCS".

In line with the requirements of NQCS, PKF Consult maintains a comprehensive quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Digitally signed on the Polish original

Jolanta Sękowska
Statutory auditor no. 12749

Key Statutory Auditor conducting the audit
on behalf of PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.
the audit firm number 477

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Oddział Wrocław

Wrocław, date 28 March 2023

Opinion on the compliance with the requirements of the ESEF Regulation

The auditor's opinion is formed on the basis of the matters described above, and the opinion should therefore be read with these matters in mind.

In our opinion, the attached consolidated financial statements in ESEF format, as at 31 December 2022 and for the year ended on that day, were marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other information and findings required under Regulation 537/2014

Consistency of the opinion on the annual consolidated financial statements with the additional report to the audit committee

Our opinion on the annual consolidated financial statements is consistent with the additional report to the Audit Committee referred to in Regulation 537/2014.

Appointment of the audit firm and the period of total uninterrupted engagement

We were selected to audit the annual consolidated financial statements of the Group under a resolution of *Supervisory Board of Ten Square Games S.A. dated 18 May 2022*. We have been engaged to audit financial statements of the Company, as a public interest entity, including previous renewals and reappointments, for a period of 4 subsequent years.

Non-audit services

To the best of our knowledge and belief, we declare that we did not provide any non-audit services prohibited by Article 5(1) of Regulation 537/2014 during the periods indicated therein.

