

## **INDEPENDENT AUDITOR'S REPORT ON THE AUDIT**

**For the General Meeting and Supervisory Board of Ten Square Games S.A.**

### **Report on the audit of the annual consolidated financial statements**

#### *Opinion*

We have audited the annual consolidated financial statements of Ten Square Games S.A. (the 'Group'), in which the parent company is Ten Square Games S.A. (the 'Parent Company'), which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the financial year from 1 January to 31 December 2024 and notes, including material accounting policy information and other explanatory information (the 'consolidated financial statements').

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated property and financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union (IFRSs) and with the accounting principles (policy) adopted;
- comply in respect of the form and content with laws applicable to the Group and the Parent Company's Statute.

This opinion is consistent with the additional report to the Audit Committee issued on 24 March 2024.

#### *Basis for opinion*

We conducted our audit in accordance with the National Auditing Standards in the wording of the International Auditing Standards adopted by Resolution No. 3430/52a/2019 of the National Council of Statutory Auditors of 21 March 2019 on national auditing standards and other documents, as amended, and the Resolution of the Board of the Polish Agency for Audit Oversight No. 38/I/2022 of 15 November 2022 on national quality control standards and National Auditing Standard 220 (Amended) ('NAS'), as well as pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (i.e. Journal of Laws of 2024, item 1035, as amended – the 'Act on Statutory Auditors') and the Regulation (EU) No. 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public interest entities (Official Journal of the European Union UE L158 of 27 May 2014, p. 77, as amended – the 'EU Regulation'). Our responsibilities under those standards are further

described in the *Auditor's responsibilities for the audit of the consolidated financial statements'* section of our report.

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

### *Independence and ethics*

We are independent of the Group companies in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants adopted by resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of 25 March 2019 on the principles of professional ethics of statutory auditors, as amended (the 'IESBA Code') and with other ethical requirements that are relevant to our audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. While conducting the audit, the key certified auditor and the audit firm remained independent of the Group companies in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and have summarised our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

| Key Audit Matter  | How our audit responded to this matter   |
|---|--|
| <b>Revenue on in-game virtual goods</b>   |  |
| <p>The Group's business is based on the development and distribution of free-to-play (freeware) games. Once the game is launched, users are able to purchase virtual goods, such as a virtual game currency (notes and pearls), durable goods (so-called durables, including fishing rods, lures, other accessories) and consumable goods (so-called consumables, including options to draw another card,</p> | <p>Our procedures related to identified key risk involved, among others:</p> <ul style="list-style-type: none"> <li>• reviewing the accounting policy in relation to revenue recognition and assessment of the compliance of these principles with IFRS 15,</li> <li>• understanding the sales process, as well as the correctness of designing and</li> </ul> |

boosters). Goods are transferred to a user upon registering a payment.

The aforementioned Group’s revenue received from users is disclosed as micropayment revenue. It amounted to PLN 381,301 thous. in 2024 and constituted 98.67% of all sales revenue.

Pursuant to the International Financial Reporting Standard 15 “Revenue from contracts with customers”, hereinafter IFRS 15, revenue shall be recognised upon meeting or in the course of meeting a performance obligation by transferring a promised good or service. A good or service shall be transferred upon the client gaining control over said good or service.

The Board of the Parent Company estimates the value of the performance obligation related to users using durable virtual goods in the gaming period and to outstanding virtual currency that, among others, durable virtual goods can be purchased for.

Estimated performance obligations were disclosed under obligations under contracts with customers and amount to PLN 87,890 thous. as at the end of 2024.

The issue was deemed a key audit matter due to the significance of the amounts, and the fact that the manner of revenue identification and recognition in the consolidated financial statement requires significant estimates and company management judgement.

Disclosures related to sales revenue have been presented in note 1 “Sales revenue” included in Additional notes and explanations to the consolidated financial statement. The rules of

implementing an internal audit system related to this field,

- analytical procedures involving, in particular, monthly data and trend analyses,
- detailed reliability studies in relation to sales recognized during a year based on a selected sample,
- analysing and assessing the assumptions and methodologies adopted by the Management Board of the Parent Company to estimate obligations under contracts with customers,
- verifying a sample of transactions from December 2024/January 2025 and an independent assessment of revenue recognition correctness in transaction source documents,
- confirmation of the receivable balance on a selected sample of counterparties as at the balance sheet date,
- analysing unusual transactions and revenue adjustments after the balance sheet date,
- verifying disclosures related to revenue in the light of IFRS 15 requirements.

The reliability tests conducted, combined with an assessment of the internal audit environment provided us with sufficient and appropriate audit evidence, required to address the said risk associated with recognition disclosure.

recognising revenue on sharing virtual goods have been described in the section entitled “Grounds for developing the accounting policy of the separate financial statement”, clause 3. “Description of adopted accounting principles (policy)”, subclauses 3.2. “Operating income and costs” and 3.16. “Essential values based on professional judgement and estimates”.

### Impairment of cash-generating units

In its consolidated financial statement as at 31 December 2024, the Company disclosed:

goodwill at PLN 108,453 thous.,

investments in affiliated entities amounting to PLN 12,157 thous.,

accounting for approximately 29 % of the balance sheet total.

Pursuant to the International Accounting Standard 36 “Impairment of assets”, the Management Board of the Parent Company subjected goodwill to a mandatory impairment test. In addition, the Board analysed indicators for the impairment of investments in subsidiaries measured with the equity method.

This issue was deemed as a significant risk of material misstatement due to the value of these assets, as well as the complexity of assumptions and estimates within the conducted tests for the impairment of these assets as at 31 December 2024.

The Group’s disclosures related to indicators for impairment and the conducted tests for the impairment of subsidiaries and goodwill were recognised accordingly in notes 10 “Goodwill” and 11 “Other financial assets”, as well as clause

Our procedures related to identified key risk involved, among others:

- understanding and analysing the processes implemented within the Group related to analysing indicators for impairment, identifying cash-generating units subject to impairment, and conducting impairment tests,
- analysing adopted financial forecasts through comparing key assumptions underlying the conducted test and previous revenue streams, costs, margin achieved and cash flows, including an assessment of historical projections,
- checking the arithmetic correctness of the discounted cash flow model and agreeing on source data to the operating budget adopted by the Management Board of the Parent Company,
- analysing the sensitivity of test results to key parameter changes,
- assessing the weighted-average cost of capital level adopted,
- assessing the adequacy of disclosures related to impairment testing.

|   |   |
|---|---|
| <p>3 “Description of adopted accounting principles (policy)”, subclause 3.16. “Significant values based on professional judgement and estimates”.</p> | <p>The conducted reliability tests, combined with assessing the internal control environment, provided us with sufficient and appropriate audit evidence, required to address the risk associated with the impairment of cash-generating units.</p> |
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### *Other Matter*

The Group’s consolidated financial statements for the year ended 31 December 2024 were audited by an auditor acting on behalf of another audit firm, who expressed an unqualified opinion on those statements on 25 March 2024.

### *Responsibilities of the Parent Company’s Management and members of the Supervisory Board for the consolidated financial statements*

The Parent Company’s Management is responsible for the preparation of the consolidated financial statements that give a true and fair view of the property and financial position of the Group and of its financial performance in accordance with the required applicable rules of International Financial Reporting Standards approved by the European Union, the adopted accounting principles (policy) and with the Group’s applicable legal regulations and Statute and is also responsible for such internal control as the Parent Company’s Management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company’s Management 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 the Parent Company’s Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Parent Company’s Management and members of the Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act of 29 September 1994 (i.e. Journal of Laws of 2023, item 120 as amended – the ‘Accounting Act’). The members of the Parent Company’s Supervisory Board are responsible for overseeing the financial reporting process.

### *Auditor’s responsibility for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue

an 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 NAS will always detect a material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The scope of the audit does not include assurance on the future profitability of the Group nor efficiency or effectiveness of conducting business matters now or in the future by the Parent Company's Management.

As part of an audit in accordance with NAS, we use professional judgment and maintain professional scepticism and we also:

- identify and assess the risks of material misstatement of the 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 is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control;
- 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 (policy) used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Management;
- conclude on the appropriateness of the Parent Company's Management's use of the going concern basis of accounting 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 independent auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we obtain sufficient appropriate audit evidence regarding the financial information of entities and business activities within the Group for the purpose of expressing an opinion on the

consolidated financial statements. We are solely responsible for the direction, supervision and performance of the audit of the Group, and we remain solely responsible for our audit opinion.

We communicate to the Parent Company's Supervisory Board on, 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 also provide to the Parent Company's Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Parent Company's Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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.

#### *Other information, including Group Activity Report*

##### *Other information*

Other information comprises Group Activity Report as at 31 December 2024 (the 'Group Activity Report') together with the representation on application of corporate governance and sustainability reporting, which is a separate element of this Group Activity Report, and the Annual Report for the financial year ended 31 December 20XX (the 'Annual Report') (together the 'Other information').

##### *Responsibilities of the Parent Company's Management and members of the Supervisory Board*

The Parent Company's Management is responsible for the preparation of the Other information in accordance with laws.

The Parent Company's Management and members of the Supervisory Board are required to ensure that the Group Activity Report with separate element meets the requirements of the Accounting Act.

##### *Auditor's responsibility*

Our audit opinion on the consolidated financial statements does not include the Other information. In connection with the audit of the consolidated financial statements, our responsibility is to read the Other information and, in doing so, to consider, whether the Other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there are material misstatements in this Other information, we are required to report that fact in our independent auditor's report.

We have nothing to report regarding Other Information.

Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the Group Activity Report, to the extent not relevant to sustainability reporting, was prepared in accordance with laws and that it is consistent with the information contained in the consolidated financial statements. Moreover, we are required to issue an opinion on whether the Group has included the required information in the representation on application of corporate governance.

We obtained the Group Activity Report before the date of this audit report and the Annual Report will be available after that date. In the event that we identify a material misstatement in the Annual Report, we are required to inform the Parent Company's Supervisory Board.

#### *Opinion on the Group Activity Report*

Based on the work performed during our audit, in our opinion, the Group Activity Report:

- has been prepared in accordance with the article 49 of the Accounting Act and paragraph 70 of the Decree of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws of 2018, item 757, as amended – 'Decree on current information');
- is consistent with the information contained in the consolidated financial statements.

#### *Statement on the Group Activity Report*

We certify that, based on our knowledge of the Group and its environment obtained during our audit, we have not identified material misstatements in the Group Activity Report.

#### *Opinion on the corporate governance representation*

In our opinion, in the representation on application of corporate governance, the Group has included information stipulated in paragraph 70, section 6, point 5 of the Decree on current information. Moreover, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree included in the representation on application of corporate governance is in accordance with applicable laws and information included in the consolidated financial statements.

### **Report on other legal and regulatory requirements**



*Opinion on the compliance of the consolidated financial statements prepared in the single electronic reporting format with the requirements of the regulation on technical standards on the specification of a single electronic reporting format.*

As part of our audit of the consolidated financial statement, we were engaged to perform an assurance engagement to obtain reasonable assurance in order to express an opinion on whether the consolidated financial statements of the Group for the year ended 31 December 2024 prepared in the single electronic reporting format including in the file named tensquaregames-2024-12-31-0-pl (the 'consolidated financial statements in ESEF format'), was tagged in accordance with the regulations specified in Commission Delegated Regulation (EU) No 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 on the specifications of a single electronic reporting format (Official Journal of the European Union UE L 143 of 29 May 2019, p. 1, as amended – the 'ESEF Regulation').

*Identification of criteria and description of the object of the service*

The consolidated financial statements in ESEF format were prepared by the Parent Company's Management in order to meet the tagging and technical requirements of the single electronic reporting format which are specified in the ESEF Regulation.

The subject matter of our assurance engagement is the compliance verification of the consolidated financial statements in ESEF format against the requirements of the ESEF Regulations, while the requirements specified in these regulations represent, in our opinion, applicable criteria for us to express an opinion providing reasonable assurance.

*Responsibility of the Parent Company's Management and members of the Supervisory Board*

The Parent Company's Management is responsible for preparing of the consolidated financial statements in ESEF format in accordance with the tagging and technical requirements of a single electronic reporting format which are specified in the ESEF Regulation. Such responsibility includes the selection and application of appropriate XBRL tags using the taxonomy specified in these regulations.

Responsibility of the Parent Company's Management also includes designing, implementing and maintaining of such internal control as determined is necessary to enable the preparation of the consolidated financial statements in ESEF format, free from material non-compliance with the requirements of the ESEF Regulation.

The members of the Parent Company's Supervisory Board are responsible for overseeing the financial reporting process, which includes the preparation of financial statements in compliance with the form in accordance with the governing legal regulations.

### *Auditor's responsibility*

Our objective was to express an opinion, based on the performed assurance engagement, providing reasonable assurance, that the consolidated financial statements in ESEF format was tagged in accordance with the ESEF requirements.

We have performed our assurance engagement in accordance with the National Standard for Assurance Engagements Other than Audit and Review 3001PL – Audit of Financial Statements Prepared in Single Electronic Reporting Format adopted by resolution of the National Council of Statutory Auditors No. 1975/32a/2021 dated 17 December 2021 ('NSAE 3001PL') and, where applicable, in accordance with the National Standard on Assurance Engagements Other than Audit and Review 3000 (R) as set out in International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information adopted by Resolution of the National Council of Statutory Auditors No. 3436/52e/2019 of 8 April 2019, as amended ('NSAE 3000 (R)').

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

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with NSAE 3001PL and, where appropriate, in accordance with NSAE 3000 (R), will always detect material misstatement when it exists.

The selection of procedures depends on the auditor's professional judgement, including the assessment of risk of material misstatement due to fraud or error. When performing risk assessments, and in order to design procedures to be performed the auditor takes into consideration the internal controls related with the preparation of the consolidated financial statements in ESEF format, which can provide the auditor with sufficient and appropriate evidence. The assessment of the internal controls was not performed for the purpose of expressing an opinion on the effectiveness of its operation.

### *Summary of performed procedures*

Procedures that were designed and performed by us included among others:

- obtaining an understanding of the process of preparation of the consolidated financial statements in ESEF format, including the process of selection and application of XBRL tags and maintaining compliance with the ESEF Regulation, including an understanding of the internal control system mechanisms associated with this process;
- reconciliation of the tagged on a selected sample information included in the consolidated financial statements in ESEF format to the audited consolidated financial statement;

- assessment of the compliance with the technical standards on the specification of a single electronic reporting format, including the use of the XHTML format, with the use of specialist IT tools assessing the completeness of tagging the information in the consolidated financial statements in ESEF format with XBRL tags;
- assessment whether the applied XBRL tags from the taxonomy specified by the ESEF Regulation were applied appropriately and that extensions to the elements in the taxonomy specified in the ESEF regulations were used when there were no suitable elements in the taxonomy specified in the ESEF Regulations;
- evaluating of the anchoring of the taxonomy extensions to the elements in the taxonomy specified by the ESEF Regulations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the performed assurance engagement on the tagging compliance with the requirements of the ESEF Regulation.

#### *Ethical requirements, including independence*

While performing the assurance engagement, the key certified auditor and the audit firm have complied with the independence and other ethical requirements as specified by the Code of ethics. The Code of ethics is based on the fundamental principles related to integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have also complied with other independence requirements and ethical responsibilities in accordance with required applicable rules of such assurance engagement in Poland.

#### *Quality control requirements*

The audit firm applies the national quality control standards introduced by Resolution of the Board of the Polish Agency for Audit Oversight No. 38/I/2022 of 15 November 2022. National Quality Control Standard 1 in the wording of International Quality Management Standard (PL) 1 – Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements requires the audit firm to design, implement and apply a quality management system, including policies or procedures with regard to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### *Opinion on compliance with the requirements of the ESEF Regulation*

The matters described above constitute the basis for our opinion which is why our opinion should be read in conjunction with these matters.

In our opinion, the consolidated financial statements in ESEF format were prepared in all material respect in accordance with the requirements of the ESEF Regulations.

### *Representation on the provision of non-audit services*

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the Group comply with the laws and regulations applicable in Poland and that we have not provided non-audit services that are prohibited under Article 5 item 1 of the EU Regulation and Article 136 of the Act on Statutory Auditors. The non-audit services that we provided to the Group and its subsidiaries during the audited period are listed in note 28 of the Group Activity Report.

### *Appointment of the audit firm*

We were appointed for the audit of the Group's consolidated financial statements based on the resolution of the Parent Company's Supervisory Board dated 20 March 2024. The consolidated financial statements of the Group have been audited by us for the first time.

The key auditor responsible for the audit resulting in this independent auditor's report is Agata Dominas.

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No. in the register: 14027

acting on behalf of UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością of Warsaw, Poland, entered in the list of audit firms under entry No. 3886 on behalf of which the key auditor has audited the consolidated financial statements.

*This document is a foreign language version of the original Independent Auditor's Report issued in Polish version and only the original version is binding. This document has been prepared for information purposes and could be used only for Parent Company's internal purposes. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.*

Warsaw, 24.03.2025