# STANDALONE FINANCIAL STATEMENT OF TEN SQUARE GAMES S.A.

## AS AT 31 DECEMBER 2024

Wrocław, 24th March 2025

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**STANDALONE FINANCIAL STATEMENT**

## 1. SELECTED FINANCIAL DATA

| Specification | PLN | | EUR | |
|---|---|---|---|---|
| | **for the period 01.01.2024 - 31.12.2024** | **for the period 01.01.2023 - 31.12.2023** | **for the period 01.01.2024 - 31.12.2024** | **for the period 01.01.2023 - 31.12.2023** |
| **STATEMENT OF COMPREHENSIVE INCOME** | | | | |
| Bookings | 348 812 357 | 401 246 559 | 81 039 997 | 88 606 695 |
| Revenues | 337 178 170 | 393 835 380 | 78 337 013 | 86 970 095 |
| Cost of sales | 48 237 971 | 50 686 716 | 11 207 186 | 11 193 074 |
| Operating profit (loss) | 70 741 147 | -5 505 657 | 16 435 376 | -1 215 806 |
| Gross profit (loss) | 75 806 241 | 16 221 212 | 17 612 156 | 3 582 107 |
| Net profit (loss) | 72 694 774 | 16 662 194 | 16 889 265 | 3 679 488 |
| EBITDA | 79 548 546 | 91 463 773 | 18 481 610 | 20 197 812 |
| Adjusted EBITDA | 95 052 534 | 108 380 534 | 22 083 670 | 23 933 516 |
| **CASH FLOW STATEMENT** | | | | |
| Net operating cash flow | 100 520 151 | 117 341 920 | 23 353 968 | 25 912 446 |
| Net cash flow from investment activities | -16 532 094 | -25 905 896 | -3 840 921 | -5 720 761 |
| Net cash flow from financial activity | -109 581 357 | -50 067 787 | -25 459 169 | -11 056 397 |

| Specification | PLN | | EUR | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| **BALANCE SHEET** | | | | |
| Fixed assets | 245 043 741 | 242 263 113 | 57 347 002 | 55 718 287 |
| Current assets | 181 631 338 | 215 985 365 | 42 506 749 | 49 674 647 |
| Equity | 259 688 832 | 297 603 147 | 60 774 358 | 68 445 986 |
| Long-term liabilities | 24 178 857 | 27 952 511 | 5 658 520 | 6 428 820 |
| Short-term liabilities | 142 807 390 | 132 692 820 | 33 420 872 | 30 518 128 |

| | **2024** | **2023** |
|---|---|---|
| **EUR/PLN exchange rate** | | |
| - for the balance-sheet data | 4.2730 | 4.3480 |
| - for the data from the profit and loss statement and cash flow statement | 4.3042 | 4.5284 |

In order to convert the balance-sheet data, the average exchange rate quoted by the National Bank of Poland at the balance sheet date was adopted.

In order to convert the positions of the comprehensive income statement and the cash flow statement, the exchange rate which is the arithmetical average of the exchange rates quoted by the National Bank of Poland at the last day of each month of a given period was adopted.

| Specification | 1Q 2024 | 2Q 2024 | 3Q 2024 | 4Q 2024 | TOTAL 2024 |
|---|---|---|---|---|---|
| **Profit on the operating activity (EBIT)** | **17 807 350** | **22 254 752** | **14 034 275** | **16 644 770** | **70 741 147** |
| amortization (excluding capitalized part) | 2 011 250 | 1 915 918 | 1 876 806 | 1 809 140 | 7 613 114 |
| write-downs for impairment of value | | 0 | 0 | 1 194 285 | 1 194 285 |
| **EBITDA** | **19 818 600** | **24 170 670** | **15 911 081** | **19 648 195** | **79 548 546** |
| non-cash impact of incentive scheme (excluding capitalized portion) | 2 854 621 | 311 924 | 441 425 | 369 466 | 3 977 436 |
| deferred result (revenue minus commissions) – consumables | 2 149 254 | 1 141 820 | 1 547 343 | 1 185 294 | 6 023 711 |
| deferred result (revenue minus commissions) - durable | -819 647 | -1 775 914 | 4 919 341 | 3 532 579 | 5 856 359 |
| costs of potential and completed acquisitions (M&A) and review of strategic options | -310 254 | 0 | 0 | -43 264 | -353 518 |
| **Adjusted EBITDA** | **23 692 574** | **23 848 500** | **22 819 190** | **24 692 270** | **95 052 534** |

| Specification | 1Q 2023 | 2Q 2023 | 3Q 2023 | 4Q 2023 | TOTAL 2023 |
|---|---|---|---|---|---|
| **Zysk na działalności operacyjnej (EBIT)** | **-12 570 835** | **9 484 557** | **23 783 349** | **-26 202 728** | **-5 505 657** |
| amortization (excluding capitalized part) | 2 252 596 | 2 412 288 | 2 369 264 | 2 245 105 | 9 279 253 |
| write-downs for impairment of value | 26 572 925 | 5 117 065 | 0 | 56 000 187 | 87 690 177 |
| **EBITDA** | **16 254 686** | **17 013 910** | **26 152 613** | **32 042 564** | **91 463 773** |
| non-cash impact of incentive scheme (excluding capitalized portion) | 6 033 168 | 0 | 164 217 | 492 655 | 6 690 040 |
| deferred result (revenue minus commissions) - consumables | 133 815 | 881 762 | 345 349 | -897 374 | 463 552 |
| deferred result (revenue minus commissions) - durable | 4 159 142 | -3 487 857 | 2 983 207 | 1 069 780 | 4 724 272 |
| costs of potential and completed acquisitions (M&A) and review of strategic options | 163 381 | 570 120 | 0 | 0 | 733 501 |
| severance pay- group lay-offs | 0 | 3 146 532 | 0 | 0 | 3 146 532 |
| other one-offs | 0 | 1 022 240 | 117 035 | 19 589 | 1 158 864 |
| **Adjusted EBITDA** | **26 744 192** | **19 146 707** | **29 762 421** | **32 727 214** | **108 380 534** |

## 2. STANDALONE COMPREHENSIVE INCOME STATEMENT

| STANDALONE COMPREHENSIVE INCOME STATEMENT | note | for the period 01.01.2024 - 31.12.2024 | for the period 01.01.2023 - 31.12.2023 |
|---|---|---|---|
| **Revenues from the sales of services** | 1 | **337 178 170** | **393 835 380** |
| **Costs of services sold** | 2.1 | **48 237 971** | **50 686 716** |
| **Gross profit (loss) on sales** | | **288 940 199** | **343 148 664** |
| Other operating income | 3 | 2 005 139 | 1 251 767 |
| Selling cost | 2.2 | 194 159 948 | 222 539 082 |
| General and administrative costs | 2.3 | 23 893 019 | 35 044 410 |
| Other operating costs | 3 | 2 151 224 | 92 322 596 |
| **Operating profit (loss)** | | **70 741 147** | **-5 505 657** |
| Financial income | 4 | 12 648 531 | 31 937 944 |
| Financial expense | 4 | 7 515 149 | 4 432 072 |
| **Loss (profit) due to shares in associates** | 11 | **68 288** | **5 779 003** |
| **Profit (loss) before taxation** | | **75 806 241** | **16 221 212** |
| Income tax | 5 | 3 111 467 | -440 982 |
| **Net profit (loss) on continued activity** | | **72 694 774** | **16 662 194** |
| **Items that may be reclassified to profit or loss in future reporting periods** | | **0** | **0** |
| **Items that will not be reclassified to profit or loss in future reporting periods** | | **0** | **0** |
| **Total comprehensive income** | | **72 694 774** | **16 662 194** |

| Calculation of profit per share | for the period 01.01.2024 - 31.12.2024 | for the period 01.01.2023 - 31.12.2023 |
|---|---|---|
| ***number of shares*** | | |
| the weighted average number of shares for the purpose of calculating the value of basic profit per share (in units) | 6 908 940 | 7 334 822 |
| the weighted average number of shares for the purpose of calculating the value of diluted profit per share (in units) | 6 775 060 | 7 264 822 |
| net profit attributable to Parent Entity | 72 694 774 | 16 662 194 |
| ***net earnings per share in PLN*** | | |
| basic for the financial period | 10.52 | 2.27 |
| diluted for the financial period | 10.73 | 2.29 |
| ***net earnings per share on continued operations in PLN*** | | |
| basic for the financial period | 0.00 | 0.00 |
| diluted for the financial period | 0.00 | 0.00 |

## 3. STANDALONE STATEMENT OF FINANCIAL SITUATION

| ASSETS | note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Fixed assets** | | **245 043 741** | **242 263 113** |
| Tangible fixed assets | 8 | 10 672 451 | 11 395 016 |
| Intangible fixed assets | 9 | 2 205 420 | 1 021 935 |
| Investments in subsidiaries | 10 | 202 284 550 | 202 307 550 |
| Other financial assets | 11 | 24 408 483 | 23 117 182 |
| Deferred tax assets | 5 | 5 472 837 | 4 421 430 |
| **Current assets** | | **181 631 338** | **215 985 365** |
| Receivables | 13 | 37 896 492 | 44 202 177 |
| Current income tax receivable | 5 | 2 046 925 | 6 241 070 |
| Contract assets | 1.3 | 22 163 492 | 22 409 376 |
| Loans granted | | 1 399 344 | 1 127 260 |
| Cash and cash equivalents | 14 | 118 125 085 | 142 005 482 |
| **TOTAL ASSETS** | | **426 675 079** | **458 248 478** |

| LIABILITIES | note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Equity** | | **259 688 832** | **297 603 147** |
| Share capital | 15, 16 | 647 600 | 733 482 |
| Share premium | | 496 100 | 496 100 |
| Capital from the settlement of the incentive scheme | 26 | 99 448 841 | 95 471 416 |
| Retained earnings | | 174 862 246 | 219 538 199 |
| Own shares (negative value) | 16 | -15 765 955 | -18 636 050 |
| **Long-term liabilities** | | **24 178 857** | **27 952 511** |
| Deferred income tax provisions | 5 | 600 631 | 175 002 |
| Lease liabilities | 18 | 4 897 812 | 555 399 |
| Provision for employee benefits | 20 | 2 946 201 | 3 000 496 |
| Other liabilities | 19 | 15 734 213 | 24 221 614 |
| **Short-term liabilities** | | **142 807 390** | **132 692 820** |
| Trade liabilities | 17 | 9 839 272 | 9 827 339 |
| Provision for income tax | 5 | 23 435 773 | 23 435 773 |
| Current tax liabilities | | 0 | 0 |
| Lease liabilities | 18 | 2 242 188 | 3 515 323 |
| Other liabilities | 19 | 15 724 548 | 14 968 420 |
| Provisions for employee benefits | 20 | 5 233 509 | 6 248 052 |
| Contract liabilities | 1.3 | 86 332 100 | 74 697 913 |
| **TOTAL EQUITY & LIABILITIES** | | **426 675 079** | **458 248 478** |

## 4. STANDALONE STATEMENT OF CHANGES IN EQUITY

| Statement of changes in equity | Share capital | Share premium | Capital from the settlement of the incentive scheme | Retained earnings | Own shares | Total equity |
|---|---|---|---|---|---|---|
| **Equity as at 01.01.2024** | **733 482** | **496 100** | **95 471 416** | **219 538 199** | **-18 636 050** | **297 603 147** |
| Payment of share capital | | | | | 3 406 | **3 406** |
| Share-based payments | | | 3 977 425 | | | **3 977 425** |
| Purchase of own shares | | | | | -114 589 920 | **-114 589 920** |
| Allocation of treasury shares | | | | -8 373 492 | 8 373 492 | **0** |
| Sales of treasury shares | | | | -311 985 | 311 985 | **0** |
| Cancellation of treasury shares | -85 882 | | | -108 685 250 | 108 771 132 | **0** |
| Net profit | | | | 72 694 774 | | **72 694 774** |
| **Total comprehensive income** | | | | **72 694 774** | | **72 694 774** |
| **Equity as at 31.12.2024** | **647 600** | **496 100** | **99 448 841** | **174 862 246** | **-15 765 955** | **259 688 832** |

| Statement of changes in equity | Share capital | Share premium | Capital from the settlement of the incentive scheme | Retained earnings | Own shares | Total equity |
|---|---|---|---|---|---|---|
| **Equity as at 01.01.2023** | **733 482** | **496 100** | **88 781 376** | **255 182 723** | **-18 636 050** | **326 557 631** |
| Share-based payments | | | 6 690 040 | | | **6 690 040** |
| Payment of dividends | | | | -52 306 718 | | **-52 306 718** |
| Net profit | | | | 16 662 194 | | **16 662 194** |
| **Total comprehensive income** | | | | **16 662 194** | | **16 662 194** |
| **Equity as at 31.12.2023** | **733 482** | **496 100** | **95 471 416** | **219 538 199** | **-18 636 050** | **297 603 147** |

## 5. STANDALONE CASH FLOW STATEMENT

| STANDALONE CASH FLOW STATEMENT | for the period 01.01.2024 - 31.12.2024 | for the period 01.01.2023 - 31.12.2023 |
|---|---|---|
| **OPERATING ACTIVITY** | | |
| **Profit/loss before taxation** | **75 806 241** | **16 221 212** |
| **Total adjustments:** | **24 257 009** | **92 309 929** |
| Depreciation and amortization | 7 613 114 | 9 694 324 |
| Foreign exchange rate conversion gain/loss | -1 139 317 | -186 636 |
| Lease interest | 629 036 | 183 215 |
| Interest on deposits and loans | -867 330 | 920 503 |
| Interest on liabilities (Rortos) | 2 270 975 | 5 203 047 |
| Interest and share in profits (dividends) | -7 358 024 | -8 161 057 |
| Change in receivables | 6 305 685 | 180 571 |
| Change in liabilities and accrued expenses | 615 143 | -20 986 680 |
| Change in contract liabilities | 11 634 187 | 7 411 178 |
| Change in contract assets | 245 884 | -2 223 355 |
| Write-offs on intangible assets | 1 194 285 | 31 689 990 |
| Share based payments (part not included in the acquisition of intangible assets) | 3 977 425 | 6 690 040 |
| Write - down of shares | 0 | 56 000 187 |
| Loss on associates | 68 288 | 5 779 001 |
| Loss/profit on sale of fixed assets | -932 342 | 115 601 |
| Other adjustments | 0 | 0 |
| **Cash from operating activity** | **100 063 250** | **108 531 141** |
| Income tax (paid) / refunded | 456 901 | 8 810 779 |
| **A. Net operating cash flow** | **100 520 151** | **117 341 920** |
| **INVESTMENT ACTIVITY** | | |
| Repayment of loans granted | 178 793 | 2 676 667 |
| Purchase of intangible and tangible fixed assets | -3 583 602 | -10 694 993 |
| Sale of intangible assets and tangible fixed assets | 356 498 | 192 723 |
| Purchase of shares | -2 369 057 | -12 980 401 |
| Loans granted | -353 275 | -917 275 |
| Interest on loans | 11 768 | 167 478 |
| Earn-Out payment | -10 957 715 | -4 350 095 |
| Other investing inflows | 184 496 | 0 |
| **B. Net cash flow from investment activities** | **-16 532 094** | **-25 905 896** |
| **FINANCIAL ACTIVITY** | | |
| Net proceeds from issue of shares and other capital instruments and additional payments to capital | 3 406 | 0 |
| Dividends from subsidiaries | 7 358 024 | 8 161 057 |
| Other financial inflows | 1 445 951 | 0 |
| Dividends and other payments to owners | 0 | -52 306 718 |
| Payments of finance lease liabilities | -3 169 782 | -5 279 193 |
| Purchase of own shares | -114 589 920 | 0 |
| Interest on lease | -629 036 | -183 215 |
| Other financial expenses | 0 | -459 718 |
| **C. Net cash flow from financing activity** | **-109 581 357** | **-50 067 787** |
| **D. Total net cash flow** | **-25 593 300** | **41 368 237** |
| -change in cash balance due to exchange rate differences and accrued interest | 1 712 903 | -276 457 |
| **E. Balance-sheet change in cash, including foreign exchange differences** | **-23 880 397** | **41 091 780** |
| **F. Cash at the beginning of the period** | **142 005 482** | **100 913 702** |
| **G. Cash at the end of the period** | **118 125 085** | **142 005 482** |

# GENERAL INFORMATION

## 1. COMPANY'S DATA

| | |
|---|---|
| Name | Ten Square Games |
| Legal form | Joint-stock company |
| Registered seat | 45 Traugutta Street, 50-416 Wroclaw |
| Registration country | Poland |
| Core business activity | publishing activity with regard to computer games (58.21.Z) |
| Authority keeping the register | District Court, VI Commercial Division of the National Court Register |
| entry no. | 0000704863 |
| Statistical Business Number (REGON) | 021744780 |
| Tax Identification Number (NIP) | 8982196752 |
| Company duration | indefinite |

Ten Square Games Sp. z o. o. was registered on 21 October 2011, entry no. 0000399940. Ten Square Games S.A. was established through the transformation of Ten Square Games Sp. z o. o., which was registered by the District Court on 20 November 2017.

## 2. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The standalone financial statement is presented in Polish zlotys (PLN), which is the functional currency and the presentation currency of the Company.

## 3. PRESENTED PERIODS

The standalone financial statement includes data for the period from 1 January 2024 to 31 December 2024. Comparative data are presented as at 31 December 2023 for the standalone statement of financial situation and for the period from 1 January 2023 to 31 December 2023 for the standalone statement of comprehensive income, standalone statement of cash flows and standalone statement of changes in equity.

## 4. GOING CONCERN ASSUMPTION

The standalone financial statement has been prepared assuming that the Company shall continue their activities for the period of at least 12 months after the last balance-sheet date, i.e. 31/12/2024. The Management Board of the Company, as at the date of signing the statement, was not aware of any facts or circumstances which could indicate a threat to the continuation of activity for the period of at least 12 months after the balance-sheet date due to an intended or forced discontinuance or material limitation of the activity.

## 5. COMPOSITION OF THE COMPANY'S BODIES AS AT 31.12.2024

**Management Board**:

Andrzej Ilczuk – President of the Management Board;

Janusz Dziemidowicz – Member of the Management Board;

Magdalena Jurewicz – Member of the Management Board.

During the reporting period and thereafter, up to the date of preparation of this financial statement, there were no changes in the composition of the governing body.

**Supervisory Board:**

Rafał Olesinski - Chairman of the Supervisory Board;
Wiktor Schmidt - Vice Chairman of the Supervisory Board;
Marcin Bilos - Member of the Supervisory Board;
Maciej Marszalek - Member of the Supervisory Board;
Arkadiusz Pernal - Member of the Supervisory Board;
Kinga Stanislawska - Member of the Supervisory Board.

During and after the reporting period, until the date of preparation of these financial statements, there were no changes in the composition of the supervising body.

## 6. SHAREHOLDERS' STRUCTURE

### 6.1. List of shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the issuer's general meeting

| Shareholder | number of shares as of 24.03.2025 and 31.12.2024 | % share in the share capital | number of votes at GMS | % share in the number of votes |
|---|---|---|---|---|
| Shareholders' Arrangement[1] | 1 969 176 | 30.41% | 1 969 176 | 30.41% |
| TFI Allianz S.A. | 360 360 | 5.56% | 360 360 | 5.56% |
| own shares acquired by the Company | 131 280 | 2.03% | 131 280 | 2.03% |
| others (including no entity holding more than 5% of shares) | 4 015 184 | 62.00% | 4 015 184 | 62.00% |
| **TOTAL** | **6 476 000** | **100.00%** | **6 476 000** | **100.00%** |

[1] The shareholders' agreement of the Company dated October 21, 2019, regarding the implementation of a stable policy towards the Company and the coordinated exercise of voting rights from the Company's shares (Current Report No. 30/2019). The parties to the shareholders' agreement include, among others, Family Foundations associated with Maciej Popowicz and Arkadiusz Pernal, the founders of the Company.

| Shareholder | number of shares as of 31.12.2023 | % share in the share capital | number of votes at GMS | % share in the number of votes |
|---|---|---|---|---|
| Shareholders' Arrangement[1] | 2 487 288 | 33.90% | 2 487 288 | 33.90% |
| own shares acquired by the Company | 70 000 | 1.00% | 70 000 | 1.00% |
| others (including no entity holding more than 5% of shares) | 4 777 534 | 65.10% | 4 777 534 | 65.10% |
| **TOTAL** | **7 334 822** | **100.00%** | **7 334 822** | **100.00%** |

### 6.2. List of shares held by members of the Management Board and Supervisory Board

| Shareholder | number of shares as of 24.03.2025 and 31.12.2024 | % share in the share capital | number of votes at GMS | % share in the number of votes |
|---|---|---|---|---|
| President of the Management Board - Andrzej Ilczuk | 14 888 | 0.23% | 14 888 | 0.23% |
| Member of the Management Board - Janusz Dziemidowicz | 88 249 | 1.36% | 88 249 | 1.36% |
| Member of the Management Board - Magdalena Jurewicz | 19 424 | 0.30% | 19 424 | 0.30% |
| Member of the Supervisory Board - Maciej Marszałek | 44 000 | 0.68% | 44 000 | 0.68% |
| Member of the Supervisory Board - Rafał Olesiński | 669 | 0.01% | 669 | 0.01% |
| Member of the Supervisory Board - Kinga Stanisławska | 105 | 0.00% | 105 | 0.00% |
| **TOTAL: MANAGEMENT BOARD AND SUPERVISORY BOARD** | **167 335** | **2.58%** | **167 335** | **2.58%** |
| *others* | 6 308 665 | 97.42% | 6 308 665 | 97.42% |

| | | | | |
|---|---|---|---|---|
| **TOTAL** | **6 476 000** | **100.00%** | **6 476 000** | **100.00%** |

| Shareholder | number of shares as of 31.12.2023 | % share in the share capital | number of votes at GMS | % share in the number of votes |
|---|---|---|---|---|
| President of the Management Board - Andrzej Ilczuk | 10 388 | 0.14% | 10 388 | 0.14% |
| Member of the Management Board - Janusz Dziemidowicz | 84 249 | 1.15% | 84 249 | 1.15% |
| Member of the Management Board - Magdalena Jurewicz | 19 500 | 0.27% | 19 500 | 0.27% |
| Member of the Supervisory Board - Arkadiusz Pernal | 661 552 | 9.02% | 661 552 | 9.02% |
| Member of the Supervisory Board - Maciej Marszałek | 44 000 | 0.60% | 44 000 | 0.60% |
| Member of the Supervisory Board - Rafał Olesiński | 669 | 0.01% | 669 | 0.01% |
| Member of the Supervisory Board - Kinga Stanisławska | 105 | 0.00% | 105 | 0.00% |
| **TOTAL: MANAGEMENT BOARD AND SUPERVISORY BOARD** | **820 463** | **11.19%** | **820 463** | **11.19%** |
| *others* | 6 514 359 | 88.81% | 6 514 359 | 88.81% |
| **TOTAL** | **7 334 822** | **100.00%** | **7 334 822** | **100.00%** |

### 6.3. Series of shares

| series of shares | number of shares as of 25.03.2025 and 31.12.2024 | nominal value of shares (per one share) | nominal value of shares |
|---|---|---|---|
| A | 6 476 000 | 0.1 PLN | 647,600.00 |

| series of shares | number of shares as of 31.12.2023 | nominal value of shares (per one share) | nominal value of shares |
|---|---|---|---|
| A | 7 225 000 | 0.1 PLN | 722,500.00 |
| B | 109 822 | 0.1 PLN | 10,982.20 |

### 6.4. Description of changes in shareholding structure

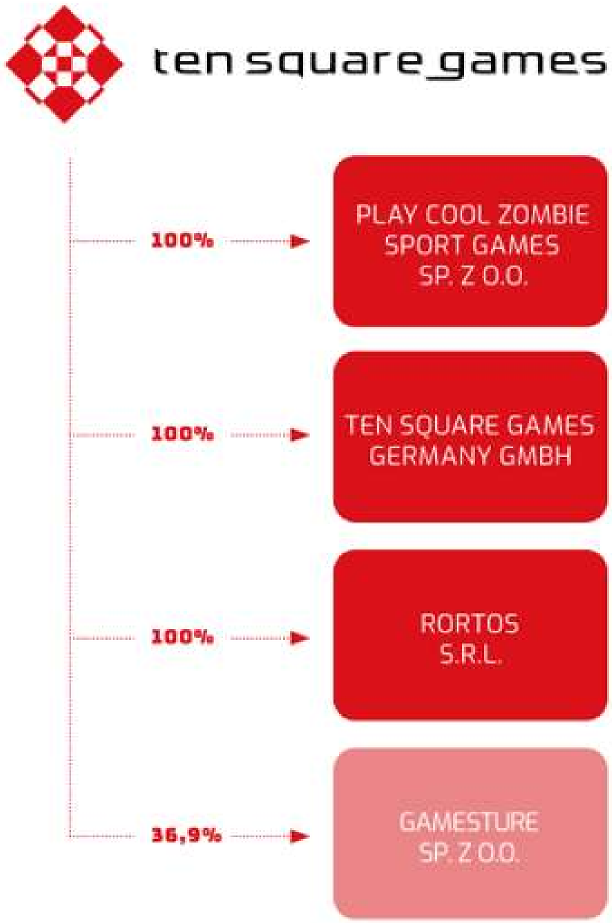
Changes in the shareholding structure between December 31, 2023 and March 24, 2025 result from the transactions described in:

1) notifications received on January 31, 2024 regarding changes in the ownership of the Company's shares, submitted by the Company's Management Board, i.e. Andrzej Ilczuk, Janusz Dziemidowicz, Magdalena Jurewicz, about which the Company informed in current report No. 3/2024. The notifications were related to the granting of shares under the incentive program.
2) notifications received on February 1, 2024 regarding changes in the ownership of the Company's shares, submitted by majority shareholders and/or Members of the Supervisory Board, i.e. Maciej Popowicz and Arkadiusz Pernal, about which the Company informed in current report no. 4/2024 and 5/ 2024. The notifications were related to the transfer of the above-mentioned shares to family foundations.
3) buyback of own shares, which took place on February 12-22, 2024, and which was settled on February 27, 2024. During the buyback, the Company purchased 954,166 own shares. The Company informed about the settlement in current report no. 9/2024.

4) notifications received by the Company on February 28, 2024 regarding changes in the ownership of the Company's shares, submitted by majority shareholders, Members of the Supervisory Board, Members of the Management Board, and family members of the above-mentioned. persons, as well as in its entirety by the members of the Shareholders' Agreement. The Company informed about those notifications in current reports no. 10/2024 and 11/2024. The notifications were related to the settlement of the Company's share buyback program.
5) the cancellation of treasury shares and the liquidation of Series B shares, which was registered by the National Court Register on July 3, 2024, as announced by the Company in current report no. 23/2024.
6) the notifications received on July 4 and 5, 2024, regarding changes in shareholding, submitted by the Shareholders' Arrangement and TFI Allianz S.A., as announced by the Company in current reports no. 25/2024 and 27/2024. The notifications concerned the crossing of statutory percentage thresholds and were related to the cancellation of shares.
7) the allocation of 2,600 treasury shares of the Company to key collaborators on December 6, 2024, as further described in the note 'Share-Based Incentive Programs'.

## 7. TEN SQUARE GAMES CAPITAL GROUP

As of 31.12.2024 and 24.03.2025:




On October 14, 2015, the first subsidiary, Play Cool Zombie Sport Games Sp. z o. o. was registered.

Ten Square Games Germany GmbH was founded on December 7, 2020 (date of the articles of association) and entered into the commercial register on January 25, 2021.

Ten Square Games S.A. acquired 100% of the shares of Rortos S.r.l. on July 5, 2021, in performance of the provisions of the sales agreement concluded on June 30, 2021.

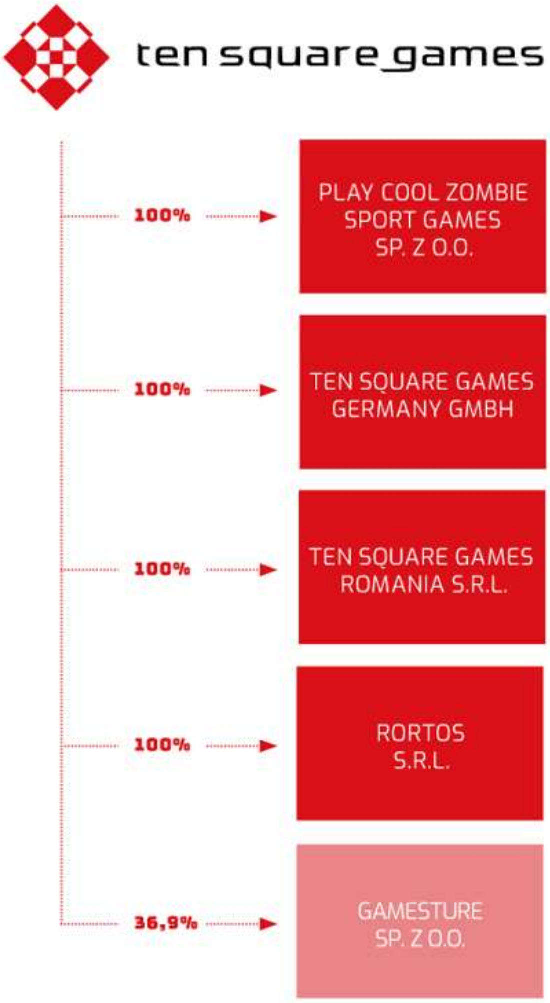
Ten Square Games S.A. acquired 24.8% of shares in Gamesture Sp. z o. o. on March 11, 2022. On January 31, 2023 Ten Square Games S.A. acquired 12% of shares in Gamesture Sp. z o. o. (which was registered in court on March 17, 2023) and currently holds 36.9% of the shares of this company.

Changes in 2024:

On September 30, 2024, the Company submitted a resolution to the local Registry Court for the liquidation of Ten Square Games Romania S.r.l., which was officially registered on November 7, 2024. The liquidation was carried out at the initiative of the Parent

Entity and in accordance with applicable local regulations. The Group had not conducted operational activities in Romania for over a year; therefore, the closure of the company had no impact on the Group's operations.

As of 31.12.2023:



## 8. INFORMATION ON CONSOLIDATION

Ten Square Games S.A. is the Parent Entity in the Group, which prepares consolidated financial statements. The subsidiaries are subject to the consolidated financial statement from the date of a given company's establishment till the date of discontinuation of exercising control.

## 9. AUDITING COMPANY

UHY ECA Audyt Spółka z o.o.

31A Połczyńska Street, 01-377 Warsaw

registered on the list of audit firms under number 3886.

## 10. STATEMENT OF THE MANAGEMENT BOARD

The Management Board of the Company states that, to the best of their knowledge, this standalone financial statement and the comparative data have been prepared in accordance with the accounting policy of the Ten Square Games S.A. and that they give a true and fair view of the Group's assets, financial position and results of operations.

The Management Board also declares that the Management Board report on activities gives a true picture of the Company's development, achievements and situation, including a description of the main threats and risks.

## 11. MANAGEMENT BOARD INFORMATION

The Management Board of the Company announces that the selection of the audit firm to conduct the audit of the annual standalone and consolidated financial statements for the financial year 2024 was made by the Supervisory Board of the Company through a resolution adopted on March 20, 2024, following a recommendation presented by the Audit Committee.

The Supervisory Board selected the audit firm UHY ECA Audyt Spółka z o.o. to conduct the reviews of the semi-annual financial statements of Ten Square Games S.A. and the semi-annual consolidated financial statements of the Ten Square Games S.A. Capital Group for the periods from January 1, 2024, to June 30, 2024, and from January 1, 2025, to June 30, 2025. Additionally, the firm was appointed to audit the annual standalone financial statements of Ten Square Games S.A. and the annual consolidated financial statements of the Ten Square Games S.A. Capital Group for the years 2024 and 2025.

The audit firm and the members of the team conducting the audit of the annual standalone and consolidated financial statements for the financial year 2024 met the conditions necessary to prepare an impartial and independent audit report in accordance with applicable regulations, professional standards, and ethical principles.

Ten Square Games S.A. complies with the applicable legal regulations regarding the rotation of the audit firm and the key statutory auditor, as well as the mandatory cooling-off periods.

Ten Square Games S.A. (the Parent Entity) has a policy for the selection of the audit firm and a policy governing the provision of non-audit services to the issuer by the audit firm, an entity affiliated with the audit firm, or a member of its network, including services that are conditionally exempt from the prohibition on being provided by the audit firm.

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## BASIS OF PREPARATION AND ACCOUNTING POLICY

### 1. COMPLIANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The standalone financial statement prepared as at 31 December 2024 has been prepared in accordance with International Accounting Standards, International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board approved by the European Union, hereinafter referred to as "EU IFRS".

In preparing the consolidated financial statements as at 31 December 2024, the Company adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Accounting Standards Interpretation Committee and approved for application in the EU, applicable to its operations.

EU IFRS includes standards and interpretations adopted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), approved for use in the EU

Standards, interpretations and amendments to published EU-endorsed Standards that were adopted as of March 24, 2025, but have not yet entered into force for annual periods beginning on January 1, 2024, include:

1) Amendments to IAS 21 *The Effects of changes in foreign exchange rates: lack of exchangeability*;
2) Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*: Changes in the Classification and Measurement of Financial Instruments;
3) Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*: Contracts Based on Electricity Dependent on Natural Factors;
4) Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial Instruments – Disclosures*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements*, and IAS 7 *Statement of Cash Flows* – Annual Improvements to IFRS Standards – Edition 11;
5) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture with later modifications;
6) IFRS 18 *Presentation and Disclosures in Financial Statements;*
7) *IFRS 19 Subsidiaries Without Public Accountability: Disclosures.*

In preparing the financial statements as at 31.12.2024, the Company has not opted for early application of any standard, interpretation or amendment that has been published but has not yet become effective under European Union legislation. According to the Company's estimates, the early application by the Company of these standards, interpretations and amendments to standards would not have a material impact on these financial statements

### 2. CHANGES IN ACCOUNTING PRINCIPLES (POLICY)

There were no changes in accounting policies during 2024.

### 3. DESCRIPTION OF THE ADOPTED ACCOUNTING PRINCIPLES (POLICY)

#### 3.1. Earnings per share

Net profit/loss per share for each period is determined as the quotient of the net profit/loss for the given period attributable to the Company's shareholders and the weighted average number of shares outstanding during that period. The weighted average number of shares outstanding includes any treasury shares, if applicable.

For the purpose of calculating diluted earnings per share, the profit or loss attributable to ordinary shareholders of the parent entity and the weighted average number of outstanding shares are adjusted for the effect of all potentially dilutive ordinary shares.

### 3.2. Cash flows

The statement of cash flows is prepared in accordance with the key requirements of IAS 7 *Statement of Cash Flows*.

*Cash flows from operating activities*

Cash flows from operating activities are presented using the indirect method, where the net result is adjusted for the effects of non-cash transactions, any settlements related to past or future cash inflows or outflows, and income or expense items associated with cash flows from investing or financing activities.

*Cash flows from investing and financing activities*

The main categories of cash inflows and outflows arising from investing and financing activities are presented separately.

### 3.3. Revenues and costs of operating activity

Revenues are gross inflow of economic benefits of a given period, arising in the course of (ordinary) economic activity of the Company and resulting in an increase of equity, other than an increase of equity resulting from the contributions of shareholders. Revenues include only gross inflows of economic benefits received and receivable by the Company. Sales income is understood as due or received amounts from the sales of material elements and services, minus the effective VAT tax. The revenue is measured at the fair value of the received or due payment, taking into account the amounts of trade discounts granted by the Company. Sales of services are recognized in the accounting period in which the services were provided.

The specific nature of the Company's activity is based mainly on retail to the end customer (natural person). Upon concluding an agreement with the user, concerning the purchase of objects or services in a game, the transfer of the goods takes place immediately through the channels of Internet distribution upon receiving payment through a financial intermediary (payment aggregator). In the course of ongoing activities of the Company, concluding agreements with customers takes place on a continuous basis, with the use of remote agreements (i.e. the acceptance of the terms and conditions of the provision of services and making payment on the terms defined by the Group's companies).

The Company distinguishes three main sources of revenues:

1) revenues from additional functionalities purchased by the players (micro-payments);

2) revenues from advertisements displayed in games (advertisements);

3) revenues from the users' activity in games which are shared with the Company's commercial partners on the basis of license agreements (licenses).

**Revenues from additional functionalities purchased by the players (micro-payments)**

As part of the games, premium packages are available to users, which include banknotes and pearls (the virtual currency of the game). Players can convert the virtual currency of the game into durable virtual goods such as fishing rods or lures or other accessories to improve the parameters of the equipment and thus the results achieved in the game, or into consumables - e.g. amplifiers (+ x% fish weight) or another possibility to draw a card.

The Company verifies an average estimated conversion period of virtual currency into goods in a game for a group of paying users and subsequently estimates the amount of potential liability due to the realization of premium packages. The amount of such a liability reduces the revenue of a given period and is recognized as an accrued income settlement (balance sheet item).

During the course of 2020, the Company made changes to its information systems so that it began collecting data to analyze the use of durable goods over time. As a result, the Company estimates the amount of the liability (customer contract liability) for the provision of the durable good in the game – revenues related to the purchase of durable virtual goods (and the commission of digital distribution platforms such as Google Play and the App Store related to these revenues) are recognized by the estimated average play period of paying users. Estimating the average length of time a paying user remains in the game requires a sufficiently long history of player behavior.

In the case of the games shared through Facebook and shared on digital distribution platforms, such as Google Play and App Store, the payments for additional functionalities received from users are decreased by commissions due for distributors. In the case of games shared through own website, the payments for additional functionalities received from users are decreased by commissions due for payment aggregators. Both the commissions of distributors and aggregators shall be recognized by the Company in the selling costs.

**Revenues from advertisements displayed in games (advertisements)**

Revenues due to advertisements displayed by players shall be recognized by the Company in the amount resulting from the sales report, received from an advertising intermediary.

**Revenues from the users' activity in games which are shared with the Company's commercial partners on the basis of license agreements (licenses)**

Revenues due to the users' activity in games shall be recognized by the Company in the amount due resulting from the sales report, received from a partner (a part of revenues due to users' payment, after deduction of applicable taxes, commissions, returns and discounts).

**Costs of services sold** shall be recognized by the Company in the same period as revenues from sales of these components, according to the principle of matching revenues and costs. In this item, the Company shall recognize the costs of manufacturing services, direct costs and a reasonable proportion of indirect costs related to the maintenance of games after their premiere, i.e. after the so-called soft launch. In this item, the following positions shall be recognized: costs of server maintenance, personnel costs of design departments as well as the depreciation of (games) development costs and depreciation of IT equipment.

**Selling costs** – include mainly costs connected with advertising, marketing and promotion of games as well as commissions for intermediation in the execution of transactions, set off by a payment aggregator or an on-line shop.

**General and administrative costs** – in this item, the following positions shall be grouped: personnel costs concerning the Management Board and departments related to design, costs of administration and maintenance of the office's usability.

### 3.4. Revenues and costs of financial activity

Financial revenues include mainly interest on free resources on bank accounts, commissions and interest on granted loans, interest due to delay in settling receivables, the amount of released provisions concerning financial activity, revenues on sales of securities, exchange gains, restoration of lost value of investments, the value of cancelled credits and loans as well as profits from settlement of derivative instruments.

Financial costs include mainly interest on credits and loans, interest for delay in the payment of receivables, created provisions for certain or probable losses on financial operations, acquisition value of sold shares, stocks, securities, commissions and handling fees, value of short-term investments, discount and exchange rate differences, losses on settlement of derivative instruments, and, in the case of financial leasing, other fees, excluding capital instalments.

### 3.5. Income tax

Income tax includes: current tax payable and deferred tax.

**Current tax**

Current tax is calculated on the basis of tax result (tax base) of a given trading year. Tax profit (loss) is different than balance-sheet profit (loss) due to the exclusion of revenues subject to taxation and costs which constitute tax-deductible revenues in the subsequent years as well as the revenues and costs which will never be subject to taxation. The current tax value is calculated on the basis of tax rate applicable in a given trading year. Ten Square Games S.A. as a company carrying out research and development activities and earning income from qualified intellectual property rights applies a preferential income tax rate.

In order to take advantage of the IP BOX tax relief, the Company:

- divides the tax income into income from qualified intellectual property rights (in the case of the company, these are games meeting the definition of computer programs) and other sources;
- for income from qualified intellectual property rights, the nexus ratio is calculated in accordance with the rules set out in the Corporate Income Tax Act;
- the nexus index is used to calculate the tax for each source of income. In the case of other sources of income, the Company benefits from a research and development relief, which is a reduction of taxable income.

For other sources of income, the Company utilizes the research and development (R&D) tax relief, which reduces taxable income. Since 2022, the Company has also applied the R&D tax relief to income derived from qualified intellectual property rights.

**Deferred tax**

Deferred tax is a tax payable in the future, recognized in full value with the use of the balance sheet method, due to temporary differences between the tax value of assets and liabilities and their balance-sheet values in the financial statement.
The deferred income tax asset is a tax refundable in the future, calculated with the use of the balance-sheet method, due to temporary differences between the tax value of assets and liabilities and their balance-sheet values in the financial statement.
Deferred income tax assets are recognized when it is probable that in the future the Group shall achieve the revenue subject to taxation, which enables the use of temporary differences.
Basic temporary differences concern different depreciation of the games created by the Company and balance sheet valuation of settlements as well as the time allocation of revenues from users.
Deferred income tax is calculated with the use of tax rates, legally or actually binding as at the balance-sheet date, which will be applicable upon their implementation.
Deferred tax is recognized in the profit and loss statement, and if it concerns transactions settled with equity, it is recognized in equity.
Deferred income tax assets are recognized when it is probable that in the future the Company shall achieve the revenue subject to taxation, which enables the use of temporary differences. Deferred tax liabilities or assets are recognized as long-term liabilities or assets in the balance sheet.

**Uncertainty connected with the recognition of income tax**
With the introduction in 2019 of "IFRIC 23: Uncertainty Related to the Recognition of Income Tax", which clarifies the recognition of income tax when it is uncertain whether the tax treatment applied by an entity will be accepted by the tax authorities, the Company assesses each time the possible approach of the authorities to the tax return prepared by the Company. If it is probable that the tax authorities will accept the applied tax approach, the Company will recognize the taxes in the financial statements consistently with the tax returns without reflecting the uncertainty in the recognition of current and deferred tax. Otherwise, the tax base (or tax loss), tax values and unused tax losses are recognized by the Company in an amount that better reflects the resolution of the uncertainty, using the single most probable result or the expected value method (the probability-weighted amounts of possible solutions). In the assessment of the probability of acceptance, the Company assumes that the tax authorities will verify the uncertain tax treatment and have full knowledge of this issue.

### 3.6. Tangible fixed assets

The Company recognizes fixed assets as separate objects, suitable for use, meeting the criteria for fixed assets specified in IAC 16 Tangible fixed assets, if the purchase price (manufacturing cost) amounts to at least PLN 3.500. Fixed assets with the value below PLN 3.500 undergo one-off amortization and they are recognized as costs in the month of purchase.
Tangible fixed assets are recognized according to the cost (purchase price or manufacturing cost) reduced in the subsequent periods by write-downs and impairment write-offs. External financing costs directly related to the acquisition or production of assets requiring a longer period of time in order to be fit for use or resale are added to the costs of production of such fixed assets until the moment of putting such fixed assets into use. The costs of modernization are included in the balance sheet value of fixed assets when it is probable that they will yield economic gains, and the costs incurred for modernization can be reliably measured. All other expenses for repairing and maintaining fixed assets are recognized in the profit and loss statement for the reporting periods in which they occurred.

Amortization is calculated for all fixed assets, excluding land and fixed assets under construction, by estimated period of economic utility of those assets, using the straight-line method. The Company, using the significance rule, decided that amortization shall start in the month of the asset's acceptance for use.

The Company, no later than at the end of the financial year, conducts a periodical verification of the adopted economic useful life periods for fixed assets, final value and depreciation methods, and the effects of changes in these estimates are reflected in the following and subsequent financial years (prospectively). As at the balance-sheet date, the Company shall also evaluate tangible fixed assets for impairment and evaluates a necessity of preparing impairment write-downs. This takes place when the Company is sufficiently assured that a given asset shall not generate the expected economic benefits or the achieved benefits shall be significantly lower. The impairment loss shall be recognized in the amount by which the balance-sheet value exceeds the recoverable amount. The recoverable amount is the higher of two amounts: fair value less selling costs or value in use.

The write-downs shall be recognized as other costs relevant for the property functions of fixed assets in the period during which the impairment was determined, no later than at the end of the financial year. If it has been established, with sufficient certainty, that the reasons for which a write-down on the value of assets had been made have stopped, the Company shall introduce the reversal of the conducted impairment write-down, in full or in part, by recognition of revenues.

Profits or losses resulting from sales/liquidation or disposal of fixed assets shall be determined as the difference between sales revenues and net value of these fixed assets, and they shall be recognized in the profit and loss statement.

### 3.7. Intangible assets

Intangible assets are valuated at acquisition or construction cost less amortization and impairment write-downs. Depreciation is made with a straight-line method.

The Company, no later than at the end of the financial year, conducts a periodical verification of the adopted economic useful life periods for intangible assets, final value and depreciation methods, and the effects of changes in these estimates are reflected in the following and subsequent financial years (prospectively). As at the balance-sheet date, the Group shall also evaluate intangible assets for impairment and evaluate a necessity of preparing impairment write-downs. This takes place when the Group is sufficiently assured that a given asset shall not generate the expected economic benefits or the achieved benefits shall be significantly lower. The impairment loss shall be recognized in the amount by which the balance-sheet value exceeds the recoverable amount. The recoverable amount is the higher of two amounts: fair value less selling costs or value in use.

The write-downs shall be recognized as other costs relevant for the property functions of intangible assets in the period during which the impairment was determined, no later than at the end of the financial year. If it has been established, with sufficient certainty, that the reasons for which a write-down on the value of assets had been made have stopped, the Company shall introduce the reversal of the conducted impairment write-down, in full or in part, by recognition of revenues.

Intangible assets of the Group with the depreciation rates:

1) Computer software – from 2 to 5 years,

2) Development costs – from 5 to 10 years.

**Software development activities**

The Company's intangible assets also include tangible assets in progress (games) if they can be qualified as development works, in accordance with IAS 38 Intangible assets, i.e. they meet all of the following conditions:

a) it is technically possible to complete an intangible asset so that it is suitable for sale or use,

b) it is possible to prove the intent of completing an asset and its use and sale,

c) an asset will be suitable for use or sale,

d) it is known in what way an asset will generate future economic benefits,

e) technical and financial measures will be provided in order to complete development works and the asset's use and sale,

f) it is possible to reliably establish the expenditures incurred during development works.

If the above conditions are not met, the Company shall treat the expenditures as research works and recognize them in a current period.

Development works in progress, as unamortized intangible assets, are subject to impairment testing not less frequently than once a year.

The Company shall treat the expenditures on games as completed and it shall requalify them to the development costs upon the so-called soft launch, which is the release of a game on a few chosen markets.

### 3.8. Lease

In accordance with IFRS 16 on recognition, measurement, presentation and disclosure of leases, the Company presents assets and liabilities arising from the agreements described in IFRS 16.

At the beginning of an agreement, an entity assesses whether the agreement is or contains a lease. An agreement is a lease or contains a lease if it gives the right to control the use of an identified asset for a given period in exchange for remuneration.

At the date of commencement of the agreement, the Company recognizes an asset under the right of use and a liability under the lease. An asset under the right of use is measured at cost, while a liability under the lease is recognized at the present value of the lease payments outstanding at that date.

The cost of the debt is the average market interest rate of PLN loans to enterprises published by the NBP.

After the commencement date, the Company measures an asset by virtue of the right of use, using the cost model, while the liability is measured through:

(a) increasing the balance sheet value to reflect interest on the lease liability,
(b) a reduction in the balance sheet value to reflect the lease payments made; and
(c) revaluing the balance sheet value to reflect any reassessment or change in the lease, or to reflect revalued substantially fixed lease payments.

Interest on the lease obligation at any time during the lease term is the amount by which a fixed periodic rate of interest is obtained on the outstanding balance of the lease obligation. The interest element of the finance charge is charged to the profit or loss for the current period.

**3.9. Investments in subsidiaries and associates**

In accordance with IAS 27, the Company, as a parent company preparing separate financial statements, recognises its investments in subsidiaries, jointly controlled entities and associates at cost. Where the cost of acquisition includes future contingent payments, the Company makes a reasonably reliable estimate of the future cash flows at the date of acquisition and recognises them at their present value, adjusted for the change in the value of cash over time.

In accordance with IAS 28, the Company measures investments in associates using the equity method. An investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the investee's profits or losses after the date of acquisition. An associate is, in turn, an entity over which the investor has significant influence and that is neither a subsidiary nor a joint venture of the investor. Management of the Parent company shall consider each time the existence of significant influence and dependence of the company in which the shares are acquired.

**3.10. Financial instruments**

The Company shall recognize a financial asset or financial liability in the statement of financial situation only when it becomes bound by the provisions of the instrument agreement. Unconditional receivables and liabilities shall be recognized as assets or liabilities when the Company becomes a party to the agreement, and, as a consequence, has a legal right to receive or a legal obligation to pay cash.
With the exception of trade receivables, which shall be valued on the basis of the amortized costs, on initial recognition, the Company shall valuate a financial asset or financial liability at its fair value, which in the case of financial assets or financial liabilities not valuated at fair value by financial result shall be increased or decreased by transaction costs that are directly attributable to the acquisition or issue of such financial assets or financial liabilities.

The Company classifies a financial asset as valuated, after initial recognition, at amortized cost or at fair value by other comprehensive income or at fair value by financial result, on the basis of:

a) the entity's business model with regard to the management of financial assets, and

b) the characterization of cash flows for a financial asset, resulting from an agreement.

A financial asset shall be valuated at amortized costs if it meets both of the following conditions:

a) a financial asset is maintained in accordance with the business model whose aim is maintaining financial assets for the purpose of obtaining cash flows resulting from the agreement;

b) the provisions of the agreement concerning a financial asset result in the creation of cash flows, within specified periods, which are only the repayment of main amount and interest on the outstanding amount.

A financial asset shall be valuated at fair value by other comprehensive income if it meets both of the following conditions:

a) a financial asset is maintained in accordance with the business model whose aim is maintaining financial assets for the purpose of obtaining cash flows resulting from the agreement and the sales of financial assets; and

b) the provisions of the agreement concerning a financial asset result in the creation of cash flows, within specified periods, which are only the repayment of main amount and interest on the outstanding amount.

A financial asset shall be valuated at fair value by financial result unless it is valuated at amortized cost (due to meeting the conditions specified above) or at fair value by comprehensive income (due to meeting the conditions specified above).

The Company classifies all financial liabilities as valuated, after initial recognition, at amortized cost, excluding: financial liabilities valuated at fair value by financial result (one-off decision on initial recognition, if it is allowed by IFRS 9), financial liabilities arising from transferring a financial asset, financial guarantee agreements, commitments to provide loans at below-market interest rates, contingent considerations recognized by the acquiring entity under a merger.

As at each reporting date, the Company shall valuate a write-down on expected credit losses due to financial instrument, in the amount equal to the expected credit losses during a life cycle if credit risk connected with a given financial instrument has significantly increased since initial recognition.

In order to conduct the analysis of statistical receivables, the Group shall apply the division into the following categories of recipients:

1) International payment intermediaries (online shops, payment aggregators);
2) Advertising intermediaries;
3) Licensees.

### 3.11. Transactions in foreign currencies

Items included in the financial statement are presented in Polish zloty ("PLN") which is a functional currency of the Company.

**Valuation**

As at the balance-sheet date, financial assets and liabilities denominated in foreign currencies are converted according to the rates applicable as at that date. Assets and liabilities valuated at fair value and denominated in foreign currencies are valuated according to the rates applicable at the date when fair value was determined. Non-financial items are valuated at historical cost.

Exchange rate differences are recognized in the comprehensive income statement during the period in which they arise, excluding exchange rate differences which constitute external financing costs relating to assets in progress, intended for future operating use, which shall be included in these assets and treated as corrections of interest costs.

**Transactions during the year**

Transactions denominated in currencies other than Polish zloty shall be converted to Polish zloty at the exchange rate actually applied at the date of concluding a transaction and if applying such a rate is not possible, at the average exchange rate for a given currency, announced by the National Bank of Poland on the previous day. The disbursement of cash in a foreign currency from own accounts shall be conducted according to the FIFO principle.

Exchange rate differences are recognized in the comprehensive income statement during the period in which they arise, excluding exchange rate differences which constitute external financing costs relating to assets in progress, intended for future operating use, which shall be included in these assets and treated as corrections of interest costs.

### 3.12. Receivables

**Accruals**

The Company recognizes prepaid expenses when they relate to future reporting periods. Accrued expenses are recognized at the amount of probable liabilities attributable to the current reporting period.

**Trade and other receivables**

Loans and receivables are classified as financial assets. Granted loans are measured at amortized cost using the interest rate specified in the loan agreement. Trade and other receivables are recorded at transaction price adjusted for appropriate impairment allowances under the expected credit loss model.

### 3.13. Equity

Share capital is recognized in the amount specified in the Company's Articles of Association and entered into the court register. If shares are recognized at a price higher than their nominal value, such excess amount shall be recognized in supplementary capital. In the item "Other capitals", the Group shall recognize the profit from the period which shall be allocated to other capitals, according to the resolution of shareholders. Treasury shares reduce the value of the parent entity's equity.

### 3.14. Share-based payments

In the case of share-based payments in transactions with employees and other people providing similar services, the unit shall valuate the fair value of received services by reference to the fair value of the equity instruments. It is a consequence of the fact that it is usually not possible to reliably estimate the fair value of the received services. The fair value of equity instruments shall be determined at the date of granting such instruments.

### 3.15. Payment of dividends

Dividends shall be recognized at the time of establishment of the Parent Company's shareholders' rights to the dividends.

### 3.16. Provisions

Provisions shall be recognized if the Company is under an existing liability (legal or customary), resulting from past events and if it is probable or highly probable that fulfilment of this liability will require expending of funds that form economic benefits and if it is possible to reliably estimate the value of such liability. The amount of the created provisions shall be verified and updated at the end of the reporting period in order to adjust the estimates to the values prepared in accordance with the Company's best knowledge as at that date. In the financial statement, provisions shall be recognized as long-term and short-term provisions.

### 3.17. Liabilities

Liabilities are the Company's present obligation resulting from past events, the fulfilment of which will result in an outflow from the Company of funds embodying economic benefits.

Long-term liabilities include liabilities whose maturity date, counting from the end of the reporting period, falls in the period longer than 12 months. Long-term liabilities include liabilities whose maturity date, counting from the end of the reporting period, falls in the period shorter than 12 months. Trade liabilities are recognized at nominal value. Any interest is recognized at the moment of receiving notes from suppliers

### 3.18. Transactions with related parties

The accounting principles, as well as key estimates and assumptions presented in the section on receivables and liabilities, apply to transactions conducted with related parties.

### 3.19. Significant values based on professional judgement and estimates

The preparation of a consolidated financial statement requires from the Management Board of the Company conducting estimates and assumptions which are reflected in this statement and additional information and explanations to the statement.

Accounting judgements and estimates are derived from previous events and other factors, including but not limited to the forecasts on the future events that are likely to occur.

Although the adopted assumptions and estimates are based on the best knowledge of the Management Board concerning current activities and events, actual results might differ from the expected outcome. Estimates and assumptions connected with them are subject to verification. The change of accounting judgements shall be recognized in the period during which it occurred or in the current or future periods, if a conducted change of estimates concerns both the current period and future periods.

Basic judgements conducted by the Management Board of the Parent Entity in the process of applying the accounting principles of the entity and having the most significant impact on the values recognized in the financial statement are provided below

**Professional judgement:**

**Moment of activation of development costs**

The Company commences the activation of expenditures on development works when it is possible to prove that the specified works shall generate future economic profits and under the condition that the COmpany possesses sufficient resources necessary to complete, use and achieve profits from an intangible asset. Meeting both of the criteria, i.e. a possibility of achieving future economic benefits and possessing sufficient resources is based on the Management Board's estimates, resulting from the analysis of market and financials situation of the Company.

**Depreciation period of activated intangible assets**

The Management Board specifies the estimated periods of use and depreciation rates for the amounts of incurred development costs of activated intangible assets. This estimate is based on the expected period of economic utility of such assets. In the case of the occurrence of circumstances which change the expected period of economic utility (e.g. technological changes, withdrawal from use, etc.), the depreciation rates may change. As a consequence, the value of write-offs and net book value of activated costs of development works may also change.

**Deferred income tax assets and liabilities**

Deferred income tax assets and liabilities are valuated in accordance with tax rates, which are expected to apply at the moment when the assets are realized or the liabilities are released, adopting as a basis the tax regulations which were legally or actually effective at the end of the reporting period. The probability of realizing deferred income tax assets with future tax income is based on the Company's plans.

**Fair value of share-based payments**

Fair value is the amount that a given asset could be exchanged for and liability settled, through a transaction effected on market terms, between the interested, well-informed, not affiliated parties. For transactions made before the Parent Company's debut on the Warsaw Stock Exchange, i.e. until May 2018, the fair value of Parent Company's shares was determined using the comparative method. The comparison involved public companies with a similar business profile to the Group and it shall be conducted on the basis of the Company's best judgment. Since May 2018, i.e. since the moment the Parent Company became a public entity, the fair value of the Parent Company's shares has been determined on the basis of the market value of the shares.

**Recognition of revenue from the provision of durable virtual goods**

The Company estimates the amount of the liability (customer contract liability) for the provision of durable in-game goods - revenue related to the purchase of durable virtual goods (and the commission of digital distribution platforms such as Google Play and the App Store related to such revenue) is recognized over the estimated average play period of the paying users.

**Nature of sales of services in the Google Play store in the European Economic Area**

Under the distribution agreement with Google (full text of the agreement: https://play.google.com/intl/ALL_pl/about/developer-distribution-agreement.html), the Company is required to provide virtual goods in exchange for cash received by Google Play. The above implies recognition of 100% of the net payment amount in sales revenue and 30% of the commission amount in cost of sales.

**Uncertainty of estimates**

**Impairment of assets**

As at each balance-sheet date, the Company shall verify the assets for impairment and evaluate a necessity of preparing impairment write-downs. This takes place when the Company is sufficiently assured that a given asset shall not generate the expected economic benefits or the achieved benefits shall be significantly lower. In the case of completed development works (the Company's games), the estimate shall be based on the verification of several quality parameters of a game, which, in the Management Board's opinion, can influence the ability to generate future economic benefits for the Company. However, taking into account the changes on the market, the Management Board's estimates are subject to uncertainty. When tests are carried out on another group of assets (e.g. investment value, value of shares), the estimate is based on the ability of the cash generating unit (CGU) to generate cash, and the value of the generated cash is discounted in accordance with mathematical models. The final test result is largely influenced by the discount rate used and the long-term growth rate, and both of these parameters are characterized by high market volatility. As for the estimated revenues, they are also subject to uncertainty due to the forecasting of gaming revenues, and as indicated above, the gaming market is changing rapidly and dynamically.

**The use of consumables over time**

As at the reporting date, the Company shall estimate a number of unused premium packages (notes and pearls) for active players*. The basis for determining a number of unused packages shall be their turnover rate (average period of using a package by active users) and average revenues from sales of premium packages. The average period of using a package amounts to up to 7 days, according to the analysis.

If the estimated amounts of commitments to provide services in return for the realization of premium packages are significant, the Company shall recognize the amount of liabilities in the statement of financial situation.

When the estimated amount of the obligation to provide services is deemed significant (material), the Company also recognises in the assets commission expenses related to deferred income. Under agreements concluded with major intermediaries (e.g. mobile shops), commissions usually amount to 30% of the payment amount.

*The Company defines an active user as one who has ever made a minimum of one payment up to the balance sheet date and has been active in the game (i.e. logged in at least 1 time) in the 30 days

- before the balance sheet date and/or
- after the balance sheet date.

**The use of durables over time**

As a general rule, virtual goods offered in video games fall into two main categories: durable virtual goods (which do not wear out under normal use in the virtual world and can be used by the player as long as the game is played) and consumable virtual goods (which wear out under normal use in the virtual world). Revenue in the second category is recognized when or as it is consumed, as described in the paragraph above. With respect to the recognition of revenue from the sale of so-called durables, the market uses models based on in-game statistics, e.g., the lifespan of a good and/or a group of players. Until 2019, the Company did not have statistical models to estimate the value of durables, which was related to, among other things, the fact that the Company's game economics are based on:

1) the ability to exchange some goods for other goods;
2) possibility of receiving selected goods for free
3) possibility of purchasing goods using both pearls received for free (e.g. by winning a competition) and those purchased for hard currency.

The above-mentioned characteristics make it much more difficult to carry out the analysis of the average use of the good over time, hence the Company used the option of not valuing the pearls, in accordance with IFRS 15 par. 44.

In the course of 2020, the Company made changes to its IT systems, which enabled it to start collecting data to analyze the use of durable goods over time. As a result, the Company has estimated the amount of the liability (customer contract liability) for the provision of durable goods in the game as of 31 December 2020 – revenue relating to the purchase of durable virtual goods is recognized by the estimated average playing period of paying users. Estimating the average period of time a paying user remains in the game requires a sufficiently long history of player behavior. Accordingly, as at 31 December 2020, the Company deferred revenue from durable goods over time only for Fishing Clash, and as at 31 December 2021, the Company deferred revenue from durable goods over time for the first time for its second leading title - Hunting Clash.

**Contingent earn-out payments**

In connection with the acquisition of Rortos in July 2021, the parent company has made an initial accounting for the acquisition of the shares and the calculation of the liability to pay. The payment for the acquisition of the shares consists of a cash portion, payable immediately after the acquisition of the shares, and future payments contingent on meeting Rortos' financial targets as set out in the agreement. The acquisition liability has therefore been calculated based on the projected performance of Rortos and the amount of earn-out to be paid for the years 2022-2025 predicted on that basis. The projections of future performance have been determined based on the entity's estimates of revenue, direct costs – including user acquisition expenses, and indirect costs. The calculation includes projected financial results by Rortos' main game titles – including primarily Wings of Heroes, RFS and Airline Commander.

As at 31 December 2024, the Company updated the valuation of the earn-out payments liability, taking into account the actual results achieved in the period from 01 July 2021 until 31 December 2024 and updating the financial model with future cash flows.

In order to reflect the current market assessment of the time value of money and the risk inherent in the liability, future payments have been estimated taking into account the change in the value of money over time and discounted to the present value.

In the calculation of acquisition liabilities, there is primarily uncertainty regarding the achievement of the assumed financial results of the related party. The results in subsequent years may assume a value higher or lower than assumed, resulting in a deviation of the actual liability from the estimated amount as at 31 December 2024.

The amount included under liabilities in the balance sheet represents the most appropriate estimate, consistent with the best available knowledge at the date of preparation of the report.

**Determination of materiality**

When preparing financial statements, the Company applies the materiality principle. The materiality principle introduces the possibility to apply simplifications, if it does not have a materially negative impact on the reliable and clear presentation of the property, financial situation and financial result. The Company has adopted the amount of PLN 1.0 million as the materiality level in the preparation of the financial statement (according to the accounting policy, not more than 5% of the gross result).

**NOTES TO THE FINANCIAL STATEMENT – STANDALONE DATA**

## 1. REVENUES

In accordance with IFRS 15, revenue from the sale of services, after deducting value added tax, discounts and rebates are recognized when the obligation to provide the service through the transfer of the service to the contractor is fulfilled.

| Specification | 01.01.2024 - 31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| Sales of services | 337 178 170 | 393 835 380 |
| **TOTAL revenues from sales of services** | **337 178 170** | **393 835 380** |
| Other operating revenues | 2 005 139 | 1 251 767 |
| Financial revenues | 12 648 531 | 31 937 944 |
| **TOTAL revenues from continuing operations** | **351 831 840** | **427 025 091** |
| **TOTAL revenues** | **351 831 840** | **427 025 091** |

Revenues from discontinued operations did not occur.

### 1.1. Information on operating segments and result performance indicators

The Management Board does not distinguish separate operating segments, in accordance with the definition specified in IFRS 8 par. 5, including revenues, costs, assets and liabilities, for which separate financial information shall be prepared and on the basis of which the decisions concerning the allocation of resources by main operating decision-making body would be made.

The Management Board currently evaluates the Company's financial performance primarily based on 2 metrics: „Bookings" and „recurring EBITDA".

Under „Bookings", the Company recognizes revenue not reduced by deferred revenue (i.e. in the case of micropayments, these are payments made by users during the period indicated). The amount of deferred revenue results from an estimate of the unused virtual currency and durable goods (durable) by active players made at the balance sheet date. The amount of such deferred revenue is reported in the financial statements under the balance sheet item „customer contract liabilities".

*Recurring EBITDA* means the operating profit shown in the consolidated financial statements achieved by the Group for a given financial year, increased by depreciation of fixed assets and intangible assets, adjusted by:

- extraordinary and one-off events;
- costs of carrying out the Incentive Program in accordance with the financial reporting standards applicable to the Company;
- the effect of recognition over time the incentive program of the President of the Management Board, Maciej Zużalek (described below);
- the impact of non-cash adjustments to revenue (and the related cost of distributors' commissions), related to e.g. deferral of revenue from virtual currency or durables;
- the impact of any one-off write-downs on capital expenditures on the creation of mobile games;

The reconciliation of revenues and bookings is provided in section 1.2 below. The calculation of the EBITDA value is presented in the "Selected financial data" section.

### 1.2. Revenues – source

The Company's operations are based on the production and distribution of Free to Play (F2P) games. The Company generates sales revenues related to in-game advertising, in-game micropayments and on the basis of license agreements.

| Type of revenues | Bookings 1-12.2024 | Share in bookings 1-12.2024 | Bookings 1-12.2023 | Share in bookings 1-12.2023 |
|---|---|---|---|---|
| Micro-payments | 348 356 945 | 99.9% | 400 421 201 | 99.8% |
| Advertisement | 48 829 | 0.0% | 97 956 | 0.0% |
| Licences | 406 583 | 0.1% | 727 402 | 0.2% |
| **TOTAL BOOKINGS** | **348 812 357** | **100.0%** | **401 246 559** | **100.0%** |
| Deferred income (consumable) | -7 643 362 | N/A | -662 219 | N/A |
| Deferred income (durable) | -3 990 825 | N/A | -6 748 960 | N/A |
| **TOTAL REVENUES** | **337 178 170** | **N/A** | **393 835 380** | **N/A** |

Revenues from micropayments and licenses are entirely generated by natural persons, while the flow of funds to the Company takes place through payment aggregators, mobile marketplaces or licensees. Users purchase certain packages in the game, e.g. a package of pearls, a package of lures (in fishing games), upgraded fishing rods. The price of the package is fixed and determined by the Company. The goods are handed over to the user at the moment of registration of payment by the indicated entities. Although in the case of purchase of premium packages, i.e. packages containing e.g. virtual currency, the transfer of currency to the user's account takes place immediately after the payment is made, but the use of the virtual currency in the game may be postponed in time – this depends on the decision of the player, who may individually, within the framework of an agreement between the parties, choose the moment of exchange of the virtual currency for other virtual goods. Revenues related to the purchase of durable virtual goods (and the commission of digital distribution platforms such as Google Play and App Store related to these revenues) are recognized by the estimated average playing time of paying users.

In games advertisements are displayed to users (natural persons). The display of an advertisement is also the moment when the revenue is recognized. The advertiser pays for the display of the advertisement, while the due part of this revenue goes to the Group through advertising intermediaries on the basis of advertising reports.

Settlement with intermediaries takes place on the basis of monthly sales reports, and the payment is made in accordance with the deadline specified in the contract, usually between 1 and 60 days from the end of the calendar month.

**1.3. Revenues – games**

| Game | Bookings 1-12.2024 | Share in bookings 1-12.2024 | Bookings 1-12.2023 | Share in bookings 1-12.2023 |
|---|---|---|---|---|
| Fishing Clash | 242 619 691 | 69.5% | 274 231 758 | 68.3% |
| Hunting Clash | 90 174 988 | 25.9% | 110 496 799 | 27.5% |
| Let's Fish | 7 332 816 | 2.1% | 7 529 175 | 1.9% |
| Wild Hunt | 8 399 034 | 2.4% | 8 130 677 | 2.0% |
| Other | 285 828 | 0.1% | 858 150 | 0.3% |
| **TOTAL BOOKINGS** | **348 812 357** | **100.0%** | **401 246 559** | **100.0%** |
| Deferred income (consumable) | -7 643 362 | N/A | -662 219 | N/A |
| Deferred income (durable) | -3 990 825 | N/A | -6 748 960 | N/A |
| **TOTAL REVENUES** | **337 178 170** | **N/A** | **393 835 380** | **N/A** |

**Quarterly breakdown of bookings for major titles**:

| Game | 1Q 2024 | 2Q 2024 | 3Q 2024 | 4Q 2024 |
|---|---|---|---|---|
| Fishing Clash | 61 219 111 | 59 597 431 | 62 158 791 | 59 644 358 |
| Hunting Clash | 23 732 405 | 22 109 844 | 22 979 316 | 21 353 423 |
| Let's Fish | 1 732 040 | 1 763 927 | 1 609 632 | 2 227 217 |
| Wild Hunt | 2 209 336 | 2 033 024 | 1 898 167 | 2 258 507 |

| | | | | |
|---|---|---|---|---|
| Other | 54 477 | 96 683 | 66 664 | 68 004 |
| **TOTAL BOOKINGS** | **88 947 369** | **85 600 909** | **88 712 570** | **85 551 509** |
| Deferred income (consumable) | -2 723 009 | -1 414 674 | -2 025 898 | -1 479 781 |
| Deferred income (durable) | 3 182 710 | 3 124 214 | -6 234 054 | -4 063 695 |
| **TOTAL REVENUES** | **89 407 070** | **87 310 449** | **80 452 618** | **80 008 033** |

| Game | 1Q2023 | 2Q 2023 | 3Q 2023 | 4Q 2023 |
|---|---|---|---|---|
| Fishing Clash | 72 557 817 | 63 193 703 | 69 737 485 | 68 742 753 |
| Hunting Clash | 32 395 570 | 24 412 492 | 27 311 328 | 26 377 409 |
| Let's Fish | 2 172 122 | 1 852 363 | 1 614 321 | 1 890 369 |
| Wild Hunt | 2 352 751 | 1 998 176 | 1 812 965 | 1 966 785 |
| Other | 420 572 | 202 723 | 157 250 | 77 605 |
| **TOTAL BOOKINGS** | **109 898 832** | **91 659 457** | **100 633 349** | **99 054 921** |
| Deferred income (consumable) | -191 162 | -1 259 659 | -493 362 | 1 281 964 |
| Deferred income (durable) | -6 132 796 | 3 722 995 | -4 755 075 | 415 916 |
| **TOTAL REVENUES** | **103 574 874** | **94 122 793** | **95 384 912** | **100 752 801** |

Deferred revenue by game and quarters, and the balance sheet balance (balance sheet item "contract liabilities" for deferred revenue and balance sheet item "contract assets" for deferred commission costs):

**2024**

| CONSUMABLE | Balance sheet valuation | Change of deferral [1] | Change of deferral [1] | Change of deferral [1] | Change of deferral [1] | Balance sheet valuation |
|---|---|---|---|---|---|---|
| | **01.01.2024** | **Q1 2024** | **Q2 2024** | **Q3 2024** | **Q4 2024** | **31.12.2024** |
| **Fishing Clash** | | | | | | |
| deferred revenues | -6 064 690 | -1 743 726 | -1 407 391 | -1 653 556 | -268 253 | -11 137 616 |
| deferred costs | 1 819 407 | 308 583 | 291 844 | 399 030 | -21 786 | 2 797 078 |
| **Hunting Clash** | | | | | | |
| deferred revenues | -2 064 054 | -914 130 | 160 550 | -351 124 | -937 616 | -4 106 374 |
| deferred costs | 619 216 | 245 624 | -69 339 | 73 159 | 234 099 | 1 102 759 |
| **Let's Fish** | | | | | | |
| deferred revenues | -166 339 | -16 788 | -104 081 | 3 684 | -170 935 | -454 459 |
| deferred costs | 49 900 | 5 038 | 31 224 | -1 105 | 51 281 | 136 338 |
| **Wild Hunt** | | | | | | |
| deferred revenues | -205 651 | -48 365 | -63 752 | -24 902 | -102 977 | -445 647 |
| deferred costs | 61 695 | 14 510 | 19 125 | 7 471 | 30 893 | 133 694 |
| **TOTAL** | | | | | | |
| deferred revenues | -8 500 734 | -2 723 009 | -1 414 674 | -2 025 898 | -1 479 781 | -16 144 096 |
| deferred costs | 2 550 218 | 573 755 | 272 854 | 478 555 | 294 487 | 4 169 869 |

| DURABLE | Balance sheet valuation | Change of deferral [1] | Change of deferral [1] | Change of deferral [1] | Change of deferral [1] | Balance sheet valuation |
|---|---|---|---|---|---|---|
| | **01.01.2024** | **Q1 2024** | **Q2 2024** | **Q3 2024** | **Q4 2024** | **31.12.2024** |
| **Fishing Clash** | | | | | | |
| deferred revenues | -49 459 504 | 1 715 546 | 2 386 381 | -5 252 443 | -3 369 323 | -53 979 343 |
| deferred costs | 14 837 854 | -1 785 799 | -1 024 933 | 1 156 873 | 443 093 | 13 627 088 |
| **Hunting Clash** | | | | | | |
| deferred revenues | -16 737 675 | 1 467 164 | 737 833 | -981 611 | -694 372 | -16 208 661 |
| deferred costs | 5 021 303 | -577 264 | -323 367 | 157 840 | 88 023 | 4 366 535 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **TOTAL** | | | | | | |
| deferred revenues | -66 197 179 | 3 182 710 | 3 124 214 | -6 234 054 | -4 063 695 | -70 188 004 |
| deferred costs | 19 859 157 | -2 363 063 | -1 348 300 | 1 314 713 | 531 116 | 17 993 623 |

| **CONSUMABLE + DURABLE** | **Balance sheet valuation** | **Change of deferral [1]** | **Change of deferral [1]** | **Change of deferral [1]** | **Change of deferral [1]** | **Balance sheet valuation** |
|---|---|---|---|---|---|---|
| | **01.01.2024** | **Q1 2024** | **Q2 2024** | **Q3 2024** | **Q4 2024** | **31.12.2024** |
| deferred revenues | -74 697 913 | 459 701 | 1 709 540 | -8 259 952 | -5 543 476 | -86 332 100 |
| deferred costs | 22 409 375 | -1 789 308 | -1 075 446 | 1 793 268 | 825 603 | 22 163 492 |
| **Impact on result** | **-52 288 538** | **-1 329 607** | **634 094** | **-6 466 684** | **-4 717 873** | **-64 168 608** |

[1] For the games *Fishing Clash* and *Hunting Clash*, until the end of 2023, costs were deferred at a rate of 30% of revenue (equivalent to the commission level on Google Play and the App Store). Starting from the first quarter of 2024, due to the increasing share of *TSG Store* in the Company's revenue, the Company decided to defer commission costs based on the average level from the past three months.

The update in the calculation method for deferred revenue and costs resulted in a disproportionate impact on the ratio of deferred costs to revenue as of March 31, 2024, and partially on subsequent balance sheet dates, i.e., June 30, 2024, September 30, 2024, and December 31, 2024, compared to previous periods. In the following quarters, the ratio of costs to deferred revenue is expected to gradually normalize.

**2023**

| **CONSUMABLE** | **Balance sheet valuation** | **Change of deferral** | **Change of deferral** | **Change of deferral** | **Change of deferral** | **Balance sheet valuation** |
|---|---|---|---|---|---|---|
| | **01.01.2023** | **Q1 2023** | **Q2 2023** | **Q3 2023** | **Q4 2023** | **31.12.2023** |
| **Fishing Clash** | | | | | | |
| deferred revenues | -5 890 721 | -62 638 | -955 926 | -451 137 | 1 295 732 | -6 064 690 |
| deferred costs | 1 767 216 | 18 792 | 286 778 | 135 341 | -388 720 | 1 819 407 |
| **Hunting Clash** | | | | | | |
| deferred revenues | -1 546 555 | -144 784 | -261 936 | -143 065 | 32 286 | -2 064 054 |
| deferred costs | 463 965 | 43 436 | 78 580 | 42 921 | -9 686 | 619 216 |
| **Let's Fish** | | | | | | |
| deferred revenues | -186 158 | 18 849 | -29 035 | 46 730 | -16 725 | -166 339 |
| deferred costs | 55 848 | -5 655 | 8 711 | -14 020 | 5 016 | 49 900 |
| **Wild Hunt** | | | | | | |
| deferred revenues | -215 084 | -2 589 | -12 762 | 54 110 | -29 326 | -205 651 |
| deferred costs | 64 525 | 777 | 3 828 | -16 232 | 8 797 | 61 695 |
| **TOTAL** | | | | | | |
| deferred revenues | -7 838 518 | -191 162 | -1 259 659 | -493 362 | 1 281 967 | -8 500 734 |
| deferred costs | 2 351 554 | 57 350 | 377 897 | 148 010 | -384 593 | 2 550 218 |

| **DURABLE** | **Balance sheet valuation** | **Change of deferral** | **Change of deferral** | **Change of deferral** | **Change of deferral** | **Balance sheet valuation** |
|---|---|---|---|---|---|---|
| | **01.01.2023** | **Q1 2023** | **Q2 2023** | **Q3 2023** | **Q4 2023** | **31.12.2023** |
| **Fishing Clash** | | | | | | |
| deferred revenues | -47 638 665 | -3 002 670 | 3 518 833 | -2 621 447 | 284 445 | -49 459 504 |
| deferred costs | 14 291 601 | 900 801 | -1 055 650 | 786 435 | -85 333 | 14 837 854 |
| **Hunting Clash** | | | | | | |
| deferred revenues | -11 809 555 | -2 938 964 | 1 463 821 | -1 640 266 | -1 812 711 | -16 737 675 |
| deferred costs | 3 542 867 | 881 688 | -439 147 | 492 081 | 543 814 | 5 021 303 |
| **TOTAL** | | | | | | |
| deferred revenues | -59 448 220 | -5 941 634 | 4 982 654 | -4 261 713 | -1 528 266 | -66 197 179 |

| | | | | | | |
|---|---|---|---|---|---|---|
| deferred costs | 17 834 468 | 1 782 489 | -1 494 797 | 1 278 516 | 458 481 | 19 859 157 |

| CONSUMABLE + DURABLE | Balance sheet valuation | Change of deferral | Change of deferral | Change of deferral | Change of deferral | Balance sheet valuation |
|---|---|---|---|---|---|---|
| | 01.01.2023 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | 31.12.2023 |
| deferred revenues | -67 286 738 | -6 132 796 | 3 722 995 | -4 755 075 | -246 299 | -74 697 913 |
| deferred costs | 20 186 022 | 1 839 839 | -1 116 900 | 1 426 526 | 73 888 | 22 409 375 |
| **Impact on result** | -47 100 716 | -4 292 957 | 2 606 095 | -3 328 549 | -172 411 | -52 288 538 |

**1.4. Revenues by business partner**

| Business partner | Bookings 1-12.2024 | Share in bookings 1-12.2024 | Bookings 1-12.2023 | Share in bookings 1-12.2023 |
|---|---|---|---|---|
| Google Inc. | 185 149 040 | 53.1% | 226 636 572 | 56.5% |
| Apple Distribution International | 103 372 178 | 29.6% | 141 464 008 | 35.3% |
| Xsolla Inc. | 46 087 764 | 13.2% | 19 641 601 | 4.9% |
| others (none individually exceeds 10%) | 14 203 375 | 4.1% | 13 504 378 | 3.4% |
| **TOTAL BOOKINGS** | **348 812 357** | **100.0%** | **401 246 559** | **100.0%** |
| Deferred income (consumable) | -7 643 362 | N/A | -662 219 | N/A |
| Deferred income (durable) | -3 990 825 | N/A | -6 748 960 | N/A |
| **TOTAL REVENUES** | **337 178 170** | **N/A** | **393 835 380** | **N/A** |

**1.5. Revenues – distribution channel**

| Distribution channels | Bookings 1-12.2024 | Share in bookings 1-12.2024 | Bookings 1-12.2023 | Share in bookings 1-12.2023 |
|---|---|---|---|---|
| Mobile | 337 427 365 | 96.7% | 389 343 669 | 97.0% |
| Browsers | 11 384 992 | 3.3% | 11 902 890 | 3.0% |
| **TOTAL BOOKINGS** | **348 812 357** | **100.0%** | **401 246 559** | **100.0%** |
| Deferred income (consumable) | -7 643 362 | N/A | -662 219 | N/A |
| Deferred income (durable) | -3 990 825 | N/A | -6 748 960 | N/A |
| **TOTAL REVENUES** | **337 178 170** | **N/A** | **393 835 380** | **N/A** |

**1.6. Revenues – geographical breakdown**

The Company assigns bookings from users on the basis of their IP number, using external databases and sales reports in countries available on selected distribution platforms.

| Region | Bookings 1-12.2024 | Share in bookings 1-12.2024 | Bookings 1-12.2023 | Share in bookings 1-12.2023 |
|---|---|---|---|---|
| North America | 142 405 583 | 40.8% | 178 878 933 | 44.6% |
| Europe | 157 277 192 | 45.1% | 165 768 035 | 41.3% |
| *i)including Poland* | *21 822 646* | 6.3% | *22 698 534* | *5.7%* |
| *ii) including revenues from subsidiary companies (Poland)* | *17 400* | 0.0% | *407 031* | *0.1%* |

| Region | Bookings 1-12.2024 | Share in bookings 1-12.2024 | Bookings 1-12.2023 | Share in bookings 1-12.2023 |
|---|---|---|---|---|
| Asia | 30 566 273 | 8.8% | 34 851 089 | 8.7% |
| South America | 9 593 349 | 2.8% | 10 326 551 | 2.5% |
| Australia and Oceania | 6 435 204 | 1.8% | 7 993 451 | 2.0% |
| Africa | 2 534 757 | 0.7% | 3 428 500 | 0.9% |
| **TOTAL BOOKINGS** | **348 812 357** | **100.0%** | **401 246 559** | **100.0%** |
| Deferred income (consumable) | -7 643 362 | N/A | -662 219 | N/A |
| Deferred income (durable) | -3 990 825 | N/A | -6 748 960 | N/A |
| **TOTAL REVENUES** | **337 178 170** | **N/A** | **393 835 380** | **N/A** |

## 2. OPERATING COSTS

| Specification | 01.01.2024-31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| Amortization and depreciation | 7 613 114 | 9 694 324 |
| Materials and energy | 473 256 | 593 604 |
| Third-party services | 220 784 080 | 260 345 957 |
| Taxes and fees | 1 393 648 | 2 436 966 |
| Remuneration | 31 025 206 | 32 783 199 |
| Social insurance and other benefits | 7 839 997 | 9 209 183 |
| Other costs by type | 325 485 | 466 059 |
| **Total costs by type, including:** | **269 454 786** | **315 529 292** |
| Cost of products and services sold | 48 237 971 | 50 686 716 |
| Selling costs | 194 159 948 | 222 539 082 |
| General and administrative costs | 23 893 019 | 35 044 410 |
| Cost of manufacturing products for the entity's own needs (capitalisation) | 3 163 848 | 7 259 084 |

## 2.1 COST OF GOODS AND SERVICES SOLD

| Specification | 01.01.2024-31.12.2024 | 01.01.2023-31.12.2023 |
|---|---|---|
| Depreciation – costs of completed development work (mainly games) | 685 206 | 1 305 304 |
| Depreciation – other assets | 4 124 116 | 5 153 830 |
| Salaries and subcontractor services | 37 646 790 | 40 831 766 |
| Translations | 1 874 352 | 2 279 894 |
| Outsourcing of 3D models | 1 058 500 | 2 388 896 |
| Other | 6 012 855 | 5 986 110 |
| Cost of producing assets for internal use (capitalization) | -3 163 848 | -7 259 084 |
| **TOTAL COST OF GOODS AND SERVICES SOLD** | **48 237 971** | **50 686 716** |

| Specification | 1Q 2024 | 2Q 2024 | 3Q 2024 | 4Q 2024 |
|---|---|---|---|---|
| Depreciation – costs of completed development work (mainly games) | 183 381 | 183 382 | 183 381 | 135 062 |
| Depreciation – other assets | 1 251 353 | 970 220 | 948 319 | 954 224 |
| Salaries and subcontractor services | 10 938 934 | 8 686 920 | 9 491 871 | 8 529 065 |
| Translations | 573 512 | 498 240 | 457 376 | 345 224 |
| Outsourcing of 3D models | 289 639 | 430 986 | 203 963 | 133 912 |
| Other | 1 402 657 | 1 583 504 | 1 505 483 | 1 521 211 |

| | | | | |
|---|---|---|---|---|
| Cost of producing assets for internal use (capitalization) | 0 | -1 199 578 | -1 169 546 | -794 724 |
| **TOTAL COST OF GOODS AND SERVICES SOLD** | **14 639 476** | **11 153 674** | **11 620 847** | **10 823 974** |

| Specification | 1Q 2023 | 2Q 2023 | 3Q 2023 | 4Q 2023 |
|---|---|---|---|---|
| Depreciation – costs of completed development work (mainly games) | 412 502 | 430 071 | 288 105 | 174 626 |
| Depreciation – other assets | 1 376 894 | 1 272 451 | 1 248 695 | 1 255 790 |
| Salaries and subcontractor services | 13 502 541 | 10 296 059 | 9 053 095 | 7 980 071 |
| Translations | 527 224 | 661 813 | 480 724 | 610 133 |
| Outsourcing of 3D models | 781 358 | 783 528 | 505 547 | 318 463 |
| Other | 1 621 422 | 1 512 525 | 1 505 240 | 1 346 923 |
| Cost of producing assets for internal use (capitalization) | -4 968 519 | -1 970 604 | -251 342 | -68 619 |
| **TOTAL COST OF GOODS AND SERVICES SOLD** | **13 253 422** | **12 985 843** | **12 830 064** | **11 617 387** |

### 2.2 SELLING COSTS

| Specification | 01.01.2024-31.12.2024 | 01.01.2023- 31.12.2023 |
|---|---|---|
| marketing: | 78 305 775 | 80 838 716 |
| *- Fishing Clash* | *48 452 412* | *43 764 971* |
| *- Hunting Clash* | *29 667 390* | *36 820 394* |
| *- other titles* | *185 973* | *253 351* |
| provisions | 91 201 331 | 112 719 074 |
| revenue share | 1 315 868 | 1 270 291 |
| salaries, subcontractor services | 17 324 768 | 20 860 460 |
| mobile games market research services | 487 260 | 1 074 527 |
| other | 5 524 946 | 5 776 014 |
| **TOTAL SELLING COSTS** | **194 159 948** | **222 539 082** |

| Specification | 1Q 2024 | 2Q 2024 | 3Q 2024 | 4Q 2024 |
|---|---|---|---|---|
| marketing: | 18 973 777 | 18 227 239 | 21 701 126 | 19 403 633 |
| *- Fishing Clash* | *11 245 527* | *10 498 662* | *15 322 183* | *11 386 040* |
| *- Hunting Clash* | *7 728 250* | *7 716 786* | *6 284 059* | *7 938 295* |
| *- other titles* | *0* | *11 791* | *94 884* | *79 298* |
| provisions | 25 552 831 | 23 676 476 | 21 248 645 | 20 723 379 |
| revenue share | 337 715 | 344 101 | 287 231 | 346 821 |
| salaries, subcontractor services | 4 539 678 | 4 105 443 | 4 542 542 | 4 137 105 |
| mobile games market research services | 187 284 | 156 227 | 74 907 | 68 842 |
| other | 1 640 501 | 1 497 557 | 1 231 383 | 1 155 505 |
| **TOTAL SELLING COSTS** | **51 231 786** | **48 007 043** | **49 085 834** | **45 835 285** |

| Specification | 1Q 2023 | 2Q 2023 | 3Q 2023 | 4Q 2023 |
|---|---|---|---|---|
| marketing: | 22 567 155 | 20 853 276 | 19 471 000 | 17 947 285 |
| *- Fishing Clash* | *11 180 883* | *11 575 445* | *10 919 991* | *10 088 652* |
| *- Hunting Clash* | *11 236 075* | *9 174 677* | *8 551 009* | *7 858 633* |
| *- other titles* | *150 197* | *103 154* | *0* | *0* |
| provisions | 30 149 169 | 28 149 566 | 26 962 671 | 27 457 667 |
| revenue share | 351 645 | 311 614 | 266 733 | 340 299 |
| salaries, subcontractor services | 5 948 275 | 5 702 590 | 5 406 810 | 3 802 785 |

| | | | | |
|---|---|---|---|---|
| mobile games market research services | 291 446 | 297 964 | 262 054 | 223 063 |
| other | 1 247 295 | 1 722 214 | 1 424 030 | 1 382 475 |
| **TOTAL SELLING COSTS** | **60 554 985** | **57 037 225** | **53 793 298** | **51 153 574** |

### 2.3 GENERAL AND ADMINISTRATIVE COSTS

Z komentarzem [KB1]: 2.3

| Specification | 01.01.2024 - 31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| **recurring costs, including:** | **22 120 121** | **27 829 000** |
| - payroll + third party services (TSG S.A.) | 11 878 800 | 14 494 734 |
| - cost of subsidiaries | 0 | 1 225 539 |
| - rent and maintenance of office (TSG S.A) | 2 688 743 | 3 624 042 |
| - other | 7 552 578 | 8 484 685 |
| **One-off/non-cash costs, including:** | **1 772 898** | **7 215 410** |
| MSOP | 2 126 416 | 6 477 709 |
| M&A | -353 518 | 737 701 |
| **TOTAL GENERAL AND ADMINISTRATIVE COSTS** | **23 893 019** | **35 044 410** |

| Specification | 1Q 2024 | 2Q 2024 | 3Q 2024 | 4Q 2024 |
|---|---|---|---|---|
| **recurring costs, including:** | **5 387 279** | **5 878 323** | **5 508 470** | **5 346 049** |
| - payroll + third party services (TSG S.A.) | 3 039 408 | 3 011 205 | 3 081 199 | 2 746 988 |
| - cost of subsidiaries | 0 | 0 | 0 | 0 |
| - rent and maintenance of office (TSG S.A) | 560 856 | 704 560 | 674 137 | 749 190 |
| - other | 1 787 014 | 2 162 559 | 1 753 134 | 1 849 871 |
| **One-off/non-cash costs, including:** | **1 221 364** | **153 162** | **229 743** | **168 629** |
| MSOP | 1 531 618 | 153 162 | 229 743 | 211 893 |
| M&A | -310 254 | 0 | 0 | -43 264 |
| **TOTAL GENERAL AND ADMINISTRATIVE COSTS** | **6 608 643** | **6 031 485** | **5 738 213** | **5 514 678** |

| Specification | 1Q 2023 | 2Q 2023 | 3Q 2023 | 4Q 2023 |
|---|---|---|---|---|
| **recurring costs, including:** | **9 587 462** | **6 763 154** | **5 581 532** | **5 896 852** |
| - payroll + third party services (TSG S.A.) | 4 535 148 | 3 682 599 | 3 206 869 | 3 070 118 |
| - cost of subsidiaries | 627 394 | 387 364 | 201 795 | 8 986 |
| - rent and maintenance of office (TSG S.A) | 1 099 129 | 986 223 | 749 439 | 789 251 |
| - other | 3 325 791 | 1 706 968 | 1 423 429 | 2 028 497 |
| **One-off/non-cash costs, including:** | **6 197 949** | **571 870** | **112 185** | **333 406** |
| MSOP | 6 033 168 | 0 | 111 135 | 333 406 |
| M&A | 164 781 | 571 870 | 1 050 | 0 |
| **TOTAL GENERAL AND ADMINISTRATIVE COSTS** | **15 785 411** | **7 335 024** | **5 693 717** | **6 230 258** |

## 3. OTHER OPERATING REVENUE AND COSTS

| Other operating revenues | 01.01.2024- 31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| Sponsorship cooperation (barter) | 710 243 | 0 |
| Profit on lease agreement settlements | 429 340 | 634 735 |
| Rebilling of operating costs (markup) | 419 391 | 0 |
| Other | 446 165 | 617 032 |
| **Total** | **2 005 139** | **1 251 767** |

| Other operating costs | 01.01.2024 - 31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| Impairment write-offs for intangible assets | 1 194 285 | 31 689 990 |
| Impairment write-off for goodwill (Rortos) | 0 | 50 585 852 |
| Impairment write-off for investments (Gamesture) | 0 | 5 414 335 |
| Severance payments | 0 | 3 161 266 |
| Sponsorship cooperation (barter) | 429 340 | 634 735 |
| Donations | 156 398 | 445 211 |
| Write-off of uncollectible receivables | 49 845 | 54 303 |
| Other | 321 356 | 336 904 |
| **Total** | **2 151 224** | **92 322 596** |

The impairment write-off created in 2024 in the amount of PLN 1.2 million relates entirely to the write-off of production-in-progress costs for the game *Fishing Champions*.

## 4. FINANCIAL INCOME AND EXPENSE

| Financial income | 01.01.2024 - 31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| Dividends received | 7 358 024 | 8 161 057 |
| Interest income | 3 044 893 | 4 693 365 |
| Surplus of positive exchange rate differences | 2 084 119 | 0 |
| Revenue from the liquidation of a subsidiary | 161 495 | 0 |
| Revaluation of liability related to the purchase of Rortos | 0 | 24 286 569 |
| Interest –unwinding of the discount on the liability related to the purchase of Rortos | 0 | -5 203 047 |
| **Total** | **12 648 531** | **31 937 944** |

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| Financial costs | 01.01.2024 - 31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| Interest –unwinding of the discount on the liability related to the purchase of Rortos | 2 270 975 | 0 |
| Revaluation of the acquisition liability due to purchase of Rortos | 4 434 343 | 0 |
| Costs from other interest (mainly leases) | 809 831 | 863 379 |
| Excess of negative exchange rate differences | 0 | 3 568 693 |
| **Total** | **7 515 149** | **4 432 072** |

The unwinding of the discount related to the liability for the acquisition of Rortos is a standard, recurring accounting entry associated with the mathematical recognition of the present value of future cash flows. The value of this unwinding depends on both the amount of future payments and the discount rate applied to discount the cash flows. In 2023, due to the revaluation of this liability resulting from an update of the entire financial model, the cost of unwinding the discount reduced financial income.

## 5. INCOME TAX AND DEFERRED TAX

Starting from 2019, with the introduction of the so-called IP Box relief, the Company benefits from preferential taxation of part of its income. This relief consists of taxing income from qualified property rights at a rate of 5% instead of the standard 19%. The Company considers its games as qualified property rights and therefore uses the IP Box relief for profitable titles.

Due to the fact that the relief is relatively new in Polish law, for 2019 and 2020 the Company settled and paid tax using only part of the preferences. The partial application of the preferences consisted in calculating the Nexus index in a way that limited the possibility of taxing the Company's income at a tax rate of 5%. As the practice developed, in 2022 the Company decided to apply the tax relief more broadly. Starting with the CIT declaration for the 2021 tax year, the Company has been calculating tax with the full application of the relief. Additionally, at the beginning of 2023, the Company submitted a CIT correction for 2019 and 2020, also taking into account the broader application of the relief, enabling the Company to tax a larger part of its income at a tax rate of 5%. No further adjustments are planned.

The submission of corrections to the tax declaration resulted in the initiation of a customs and tax audit for 2020. Simultaneously with the customs and tax audit, the Company was subject to tax proceedings regarding the finding of an overpayment of corporate income tax for 2019 and 2020. After the positive completion of the tax proceedings (audit activities), in May 2023, the Company received a tax refund for 2019-2020 in the total amount of PLN 12.5 million (PLN 3.6 million for 2019 and PLN 8.9 million for 2020). Therefore, write-offs for tax receivables relating to the financial years 2019 and 2020 were reversed. However, due to the fact that the customs and tax audit for 2020 has not been completed (the audit as at the date of issuing this report was extended until April 2025), the Company showed a tax provision in the amount of the refunds received. This solution is a continuation of the Company's approach to the prudential reporting of tax settlements - i.e. showing the amounts resulting from adjustments to declarations in the net carrying amount of PLN 0 as at December 31, 2024.

The Company believes that the tax for 2021 was settled in the correct amount and there is no need to pay additional tax, but due to the need to consistently recognize tax liabilities/receivables for previous years, the Company recognizes a tax provision in the financial statements (PLN 10.9 million ). CIT calculation for 2022-2024, using a narrower scope of tax reliefs related to IP BOX, would result in a reduction of the tax amount by PLN 0.7 million. Given that the amount is not material, the Company has not created a provision for the potential tax adjustment.

| Income tax disclosed in the statement of comprehensive income | 01.01.2024 - 31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| Current income tax for the period | 3 737 246 | 4 212 522 |
| Deferred income tax related to the recognition and reversal of exchange rate differences | -625 779 | -4 653 504 |
| **Tax expense reported in the statement of comprehensive income** | **3 111 467** | **-440 982** |

CIT tax settlements:

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Current CIT tax settlements** | **-21 388 848** | **-17 194 701** |
| Receivable related to the financial year 2024 | 2 046 925 | 0 |
| Receivable related to the financial year 2023 | 0 | 6 241 072 |
| Provision related to the financial year 2021 | -10 894 769 | -10 894 769 |
| Provision related to the financial year 2020 | -8 941 882 | -8 941 882 |
| Provision related to the financial year 2019 | -3 599 122 | -3 599 122 |

The reconciliation of gross profit to the tax base is presented below:

| Specification | 01.01.2024 - 31.12.2024 | 01.01.2023 - 31.12.2023 |
|---|---|---|
| **Gross profit (loss)** | **75 806 241** | **16 221 212** |
| Exchange rate differences – balance sheet, non-taxable, non-deductible expenses for tax purposes | -1 820 263 | 1 351 967 |
| Dividends received | -7 358 024 | -8 161 057 |
| Write-down of receivables (non-deductible expenses for tax purposes) | 49 845 | 54 303 |
| Rozwiązanie i zawiązanie rezerwy urlopowej | 181 753 | -710 294 |

| | | |
|---|---|---|
| Creation and dissolution of the holiday reserve | -711 649 | 2 352 661 |
| Donations | -19 398 | 445 211 |
| Amortization of intangible assets | 685 206 | 1 305 304 |
| Depreciation – lease | 2 319 232 | 4 402 985 |
| Amortization of tangible assets | 2 002 604 | 2 002 604 |
| Capitalization of game production costs | -2 972 809 | -10 527 033 |
| Capitalization of other costs | -191 039 | 0 |
| Other non-deductible expenses | 2 115 494 | 227 200 |
| Write-off capitalized game costs | 1 194 285 | 31 689 990 |
| Profit (loss) on investment in associates | 68 288 | 5 779 003 |
| Unwinding of the discount, revaluation of investment | 6 705 318 | 36 916 664 |
| Share-based payments | 3 977 436 | 6 690 040 |
| Revenue (and related cost) deferred in time in balance sheet | 11 880 070 | 5 187 824 |
| R&D relief | -16 254 287 | -13 664 433 |
| Other tax deductible costs not constituting costs in the balance sheet | -3 365 569 | -4 662 102 |
| **Taxable income** | **74 292 734** | **76 902 049** |
| *including income taxed at a 5% rate (IP Box)* | *74 131 238* | *84 250 449* |
| *including income taxed at a 19% rate* | *161 496* | *-7 348 400* |

Structure of a deferred income tax asset:

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| accounting for consumables over time | 598 965 | 297 519 |
| accounting for durables over time | 2 735 435 | 2 506 266 |
| provision for holiday leave | 255 107 | 261 200 |
| accrual for audit costs | 25 270 | 18 810 |
| lease - IFRS 16 valuation | 839 874 | 63 193 |
| revaluation of settlements | 0 | 179 829 |
| renumeration provision | 968 710 | 981 813 |
| other provisions | 49 476 | 112 800 |
| **Total** | **5 472 837** | **4 421 430** |

Structure of deferred income tax provision:

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| depreciation of games | 419 030 | 175 002 |
| revaluation of settlements | 181 601 | 0 |
| **Total** | **600 631** | **175 002** |

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply when the asset is realized or the liability is settled, based on available projections. For a significant portion of temporary differences, a rate of 5% has been applied resulting from the Company's application of the IP Box tax credit

## 6. DISCONTINUED ACTIVITY

The Company did not discontinue any activities during the financial year.

## 7. DISTRIBUTION OF PROFIT FOR 2023

The General Meeting of Shareholders of the Company, on May 23, 2024, adopted a resolution to allocate the Company's net profit for 2023 in the amount of PLN 16,662,194 to the supplementary capital

## 8. TANGIBLE FIXED ASSETS

Changes in fixed assets (by group type) – for the period of 01.01.2024-31.12.2024

| Specification | Machinery and equipment | Buildings and premises | Other fixed assets | TOTAL |
|---|---|---|---|---|
| **Gross carrying amount as at 01.01.2024** | **4 410 287** | **19 565 282** | **4 884 140** | **28 859 709** |
| **Increases due to:** | **416 403** | **6 727 834** | **0** | **7 144 237** |
| - purchase of fixed assets | 416 403 | 0 | 0 | 416 403 |
| - amendment of lease agreements | 0 | 6 727 834 | 0 | 6 727 834 |
| **Decreases due to:** | **349 212** | **747 223** | **317 974** | **1 414 409** |
| - sales of fixed assets | 349 212 | 0 | 317 974 | 667 186 |
| - termination of lease agreements | 0 | 747 223 | 0 | 747 223 |
| **Gross carrying amount as at 31.12.2024** | **4 477 478** | **25 545 893** | **4 566 166** | **34 589 537** |
| **Depreciation as at 01.01.2024** | **3 035 384** | **12 927 909** | **1 501 400** | **17 464 693** |
| Increases due to depreciation | 869 519 | 5 059 286 | 894 880 | 6 823 685 |
| Decreases due to sales | 270 601 | 0 | 100 691 | 371 292 |
| **Depreciation as at 31.12.2024** | **3 634 302** | **17 987 195** | **2 295 589** | **23 917 086** |
| **Write-downs as at 01.01.2024** | **0** | **0** | **0** | **0** |
| Increases | 0 | 0 | 0 | 0 |
| Decreases | 0 | 0 | 0 | 0 |
| **Write-downs as at 31.12.2024** | **0** | **0** | **0** | **0** |
| **Net carrying amount as at 31.12.2024** | **843 176** | **7 558 698** | **2 270 577** | **10 672 451** |

Changes in fixed assets (by group type) – for the period of 01.01.2024-31.12.2024

| Specification | Machinery and equipment | Buildings and premises | Other fixed assets | TOTAL |
|---|---|---|---|---|
| **Gross carrying amount as at 01.01.2023** | **5 056 787** | **19 565 282** | **5 002 940** | **29 625 009** |
| Increases – purchase | 142 904 | 0 | 0 | 142 904 |
| Decreases – sale | 789 404 | 0 | 118 800 | 908 204 |
| **Gross carrying amount as at 31.12.2023** | **4 410 287** | **19 565 282** | **4 884 140** | **28 859 709** |
| **Depreciation as at 01.01.2023** | **2 622 990** | **6 727 122** | **560 054** | **9 910 166** |
| Increase due to depreciation | 980 594 | 6 200 787 | 973 026 | 8 154 407 |
| Decrease due to sales | 568 200 | 0 | 31 680 | 599 880 |
| **Depreciation as at 31.12.2023** | **3 035 384** | **12 927 909** | **1 501 400** | **17 464 693** |
| **Write-downs as at 01.01.2023** | **0** | **0** | **0** | **0** |
| Increases | 0 | 0 | 0 | 0 |
| Decreases | 0 | 0 | 0 | 0 |
| **Write-downs as at 31.12.2023** | **0** | **0** | **0** | **0** |
| **Gross carrying amount as at 31.12.2023** | **1 374 903** | **6 637 373** | **3 382 740** | **11 395 016** |

Tangible fixed assets – ownership structure

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Own | 3 113 753 | 4 757 643 |

| | | |
|---|---|---|
| Used under a lease, tenancy or other agreement, including a lease agreement | 7 558 698 | 6 637 373 |
| **Total** | **10 672 451** | **11 395 016** |

The Company does not own land in perpetual usufruct.

The Company does not have any liabilities towards the state budget or local government authorities arising from the acquisition of ownership rights to buildings.

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Depreciation of own fixed assets | 4 423 246 | 4 612 467 |
| Amortization of the right of use (lease) | 2 400 439 | 3 541 940 |
| **Total** | **6 823 685** | **8 154 407** |

## 9. INTANGIBLE ASSETS

Changes in intangible assets (by group type) - for the period 01.01.2024-31.12.2024

| Specification | Development costs | Computer software | Intangible assets under construction | TOTAL |
|---|---|---|---|---|
| **Gross carrying amount as at 01.01.2024** | **7 310 796** | **1 348 836** | **59 061 319** | **67 720 951** |
| **Increases due to:** | **191 039** | **3 350** | **3 163 849** | **3 358 238** |
| - acquisition | 0 | 3 350 | 3 163 849 | 3 167 199 |
| - reclassification | 191 039 | 0 | 0 | 191 039 |
| **Decreases due to:** | **0** | **0** | **59 252 358** | **59 252 358** |
| - liquidation | 0 | 0 | 59 061 319 | 59 061 319 |
| - reclassification | 0 | 0 | 191 039 | 191 039 |
| **Gross carrying amount as at dzień 31.12.2024** | **7 501 835** | **1 352 186** | **2 972 810** | **11 826 831** |
| **Depreciation as at 01.01.2024** | **6 389 734** | **1 247 963** | **0** | **7 637 697** |
| Increases due to amortization | **685 206** | **104 223** | **0** | **789 429** |
| **Depreciation as at 31.12.2024** | **7 074 940** | **1 352 186** | **0** | **8 427 126** |
| **Write-downs as at 31.01.2024** | **0** | **0** | **59 061 319** | **59 061 319** |
| Increases | 0 | 0 | 1 194 285 | 1 194 285 |
| Decreases | 0 | 0 | 59 061 319 | 59 061 319 |
| **Write-downs as at 31.12.2024** | **0** | **0** | **1 194 285** | **1 194 285** |
| **Gross carrying amount as at 31.12.2024** | **426 895** | **0** | **1 778 525** | **2 205 420** |

The net value as of December 31, 2024, reported under 'development costs' consists exclusively of tools used across all of the Company's games, while the value of 'intangible assets under development' includes capitalized production costs for the game *Trophy Hunter*.

The impairment write-off created in 2024 relates to the game *Fishing Champions*, whose production was halted in October 2024.

As of December 31, 2024, and December 31, 2023, all intangible assets are owned by the Company.

The Company does not hold any intangible assets with restricted usage rights nor any bank loans secured by intangible assets.

Changes in intangible assets (by group type) - for the period 01.01.2023-31.12.2023

| Specification | Development costs | Computer software | Intangible assets under construction | TOTAL |
|---|---|---|---|---|
| **Gross carrying amount as at 01.01.2023** | **6 581 358** | **1 337 781** | **49 249 723** | **57 168 862** |
| **Increases due to:** | **729 438** | **11 055** | **10 541 034** | **11 281 527** |
| - acquisition | 0 | 11 055 | 10 541 034 | 10 552 089 |
| - reclassification | 729 438 | 0 | 0 | 729 438 |
| **Decreases due to reclassification** | **0** | **0** | **729 438** | **729 438** |
| **Gross carrying amount as at 31.12.2023** | **7 310 796** | **1 348 836** | **59 061 319** | **67 720 951** |
| **Depreciation as at 01.01.2023** | **5 084 430** | **1 013 350** | **0** | **6 097 780** |
| Increases due to depreciation | 1 305 304 | 234 613 | 0 | 1 539 917 |
| **Depreciation as at 31.12.2023** | **6 389 734** | **1 247 963** | **0** | **7 637 697** |
| **Write-downs as at 01.01.2023** | **0** | **0** | **27 371 329** | **27 371 329** |
| Increases | 0 | 0 | 31 689 990 | 31 689 990 |
| Decreases | 0 | 0 | 0 | 0 |
| **Write-downs as at 31.12.2023** | **0** | **0** | **59 061 319** | **59 061 319** |
| **Net carrying amount as at 31.12.2023** | **921 062** | **100 873** | **0** | **1 021 935** |

## 10. INVESTMENT IN SUBSIDIARIES

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Rortos S.r.l. | 202 168 470 | 202 168 470 |
| *- gross value* | *252 754 322* | *252 754 322* |
| *- write-off* | *-50 585 852* | *-50 585 852* |
| Ten Square Games Germany GmbH | 111 080 | 111 080 |
| Ten Square Games Romania S.r.l. | 0 | 23 000 |
| Play Cool Zombie Sport Games Sp. z o.o. | 5 000 | 5 000 |
| **TOTAL** | **202 284 550** | **202 307 550** |

**RORTOS S.r.l.**

On July 5, 2021, the Company as the buyer, with the existing partners Antonio Farina and Roberto Simonetti as the sellers, concluded an agreement for the sale of all shares to Rortos S.r.l with its registered office in Verona.
The price for the entire share in Rortos acquired was set at EUR 45 million without taking into account the level of cash and debt free (cash free and debt free basis) based on the EBITDA profit multiplier for 2020, normalized by the capitalization of personnel costs, at the level of 9.8. Adjusted for cash and debt, the payment amounted to EUR 46.7 million at the settlement date. In addition, under the conditions set out in the Agreement, the Sellers will be entitled to additional remuneration (earn-out payment) depending on the results of Rortos in the period from July 1, 2021 to December 31, 2025, calculated in accordance with the formula agreed in the Agreement - in the maximum amount not higher than the EBITDA result achieved by Rortos in an adequate period.

In 2021, the Company settled the acquisition of shares and calculated the liability to pay for earn-out payments.
In 2022, 2023 and 2024, the liability due to of the acquisition was updated based on Rortos's projected results in the coming years and the predicted earn-out amount.

| Specification – standalone financial statement | Data in EUR | Data in PLN according to the exchange rate as at the date of purchase |
|---|---|---|
| Cash payment | 46 695 734 | 211 330 883 |

| | | |
|---|---|---|
| Discounted estimated future cash payments | 9 152 935 | 41 423 439 |
| **Value of acquired shares** | **55 848 669** | **252 754 322** |

| **Liability related to Rortos acquisition** | **Table of changes** |
|---|---|
| Value at acquisition date (discounted) | 252 754 322 |
| Cash payment - July 2021 (FIFO valuation) | -211 102 628 |
| Unwinding of the discount 2021 (finance cost) | 2 652 789 |
| **Value at the balance sheet date – 31.12.2021** | **44 304 483** |
| Revaluation of the liability as at 31.12.2022<br>(cash flow model + balance sheet valuation) | 8 534 740 |
| Unwinding of the discount 2022 (finance cost) | 5 953 645 |
| **Value at the balance sheet date – 31.12.2022** | **58 792 868** |
| Earnout cash payment - April 2023 (FIFO valuation) | -4 350 094 |
| Unwinding of the discount 2023 (finance cost) | 5 203 049 |
| Revaluation of the liability as at 31.12.2023<br>(cash flow model + balance sheet valuation) | -24 286 569 |
| **Value at the balance sheet date – 31.12.2023** | **35 359 254** |
| Earnout cash payment - April 2024 (FIFO valuation) | -10 957 715 |
| Unwinding of the discount 2024 (finance cost) | 2 270 975 |
| Revaluation of the liability as at 31.12.2024<br>(cash flow model + balance sheet valuation) | 3 826 167 |
| **Value at the balance sheet date 31.12.2024 –other liabilities, including:** | **30 498 681** |
| - short – term | *14 764 467* |
| - long-term | *15 734 214* |

**Annual impairment test - Rortos**

In accordance with the provisions of IAS 36 Impairment of assets, the Company assesses for each reporting period whether there are any indications (internal and external) that any of the assets may have been impaired. If at least one of the conditions occurs, a formal estimate of the recoverable amount should be made.

The test conducted at the end of 2024 was based on a comparison of the goodwill related to Rortos SRL with its recoverable amount, determined using the income approach. This approach was based on estimated discounted future cash flows, which, following the prudence principle, incorporated the updated expected future revenue from games, their profitability, and the potential impact of identifiable risks. Assumptions adopted

- the determination of the recoverable amount was conducted at the cash-generating unit (CGU) level, i.e., Rortos SRL,
- the recoverable amount was determined based on the discounted future cash flows of the CGU, derived from the CGU's financial projections for the years 2025-2027 (detailed forecast period). The adoption of a three-year detailed forecast period is justified by the current economic conditions, as there is a lack of sufficiently reliable data for subsequent reporting periods due to the high volatility of various factors,
- since the assumed economic useful life of the CGU extends beyond 2027, a terminal value for the CGU was also determined and included in the recoverable amount calculation.
- a post-tax weighted average cost of capital ("WACC") of 7.10% was applied during the projection period.

As a result of the calculations, the recoverable amount of the CGU was determined at EUR 90.3 million, while the carrying amount of the assets assigned to the CGU was EUR 38 million, resulting in a surplus of EUR 40.7 million. The test did not indicate any impairment triggers, and therefore, no impairment write-off was recognized.

Key assumptions of the impairment test:

| **Type of the assumption** | **Applied assumptions** |
|---|---|
| Basis of recoverable amount | Value in use |

| | |
|---|---|
| Source | Internal estimates |
| Methodology | Discounted cash flows |
| Discount rate (WACC) | 7.10% |
| Perpetual Growth Rate (PGR) | 2.50% |

The sensitivity analysis for the probable values of changes in the discount rate and changes in the value of the perpetual growth rate as at December 31, 2024 are presented in the tables below:

**Change in the value of the discount rate (WACC) for the residual period (change given in percentage points)**

| | **-1.0 p.p** | **-0.5 pp** | **-0.25 pp** | **0.0 pp** | **+0.25 pp** | **+0.5 pp** | **+1.0 pp** |
|---|---|---|---|---|---|---|---|
| Current value FCFF (EUR) | 115 732 743 | 101 441 663 | 95 528 843 | 90 259 177 | 85 533 203 | 81 270 963 | 73 889 247 |
| Surplus / Deficiency over the book value of the CGU (EUR) | 66 149 710 | 51 858 630 | 45 945 810 | 40 676 144 | 35 950 170 | 31 687 930 | 24 306 214 |

**Change in the value of the perpetual growth rate (PGR) for residual period (change given in percentage points)**

| | **-1.0 p.p** | **-0.5 pp** | **-0.25 pp** | **0.0 pp** | **+0.25 pp** | **+0.5 pp** | **+1.0 pp** |
|---|---|---|---|---|---|---|---|
| Current value FCFF (EUR) | 75 249 377 | 82 018 502 | 85 926 451 | 90 259 177 | 95 089 917 | 100 509 771 | 113 607 754 |
| Surplus / Deficiency over the book value of the CGU (EUR) | 25 666 344 | 32 435 469 | 36 343 418 | 40 676 144 | 45 506 884 | 50 926 738 | 64 024 721 |

## 11. OTHER FINANCIAL ASSETS

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Other financial assets:** | **24 408 483** | **23 117 182** |
| - investment in Gamesture | 12 157 562 | 12 225 850 |
| *- gross value* | *26 164 795* | *26 164 795* |
| *- share in Gamesture's loss* | *-8 592 898* | *-8 524 610* |
| - write-down of the investment value (Gamesture) | *-5 414 335* | *-5 414 335* |
| - participation units of the Sisu Game Ventures investment fund | 10 969 619 | 8 164 078 |
| - deposit on the office lease | 1 281 302 | 2 727 254 |

The change in the value of Sisu investment fund units during 2024 resulted from additional capital contributions (two payments of USD 300,000 each) and balance sheet valuation.

The value of the deposit is a multiple of the paid rent, including operating costs. Each year, these payments are adjusted for inflation or actual service purchase prices. The decrease in this value at the end of 2024 is due to a reduction in leased space during the year.

Gamesture

On March 11, 2022, the Parent Company acquired 24.8% of shares in the share capital of Gamesture Sp. z o. o. The payment amount was approximately USD 3.5 million. On January 31, 2023, the Parent Company purchased another 12% of shares in the share capital of Gamesture Sp. z o. o. The payment amount was approximately USD 2.7 million. The value as at the balance sheet date was adjusted for the loss of Gamesture attributable to the shares held by Ten Square Games S.A.

Annual impairment test - Gamesture

In accordance with the provisions of IAS 36 *Impairment of Assets*, the Company assesses at each reporting period whether there are any indications (internal or external) that an asset may have been impaired. If at least one such indication exists, a formal estimation of the recoverable amount must be performed.

Gamesture Sp. z o.o. generated a net profit* and positive cash flows in 2024. Based on the conducted analysis, the Management Board determined that there are no indications of asset impairment.

** Gamesture Sp. z o.o. recorded a profit in 2024; however, Ten Square Games S.A. recognized a share in the loss of PLN 68 thousand during 2024. This resulted from additional accounting entries made by Gamesture Sp. z o.o. after the publication of Ten Square Games S.A.'s 2023 financial statements, which impacted Gamesture's 2023 results. As a result, Ten Square Games recognized this adjustment in its financial statements in the first quarter of 2024.*

## 12. INFORMATION ON FINANCIAL INSTRUMENTS

| FINANCIAL ASSETS | 31.12.2024 | 31.12.2023 | Category of financial instruments |
|---|---|---|---|
| Other financial assets (long-term), including: | 24 408 483 | 23 117 182 | |
| *Deposit* | *1 281 302* | *2 727 253* | *financial assets evaluated at amortized costs* |
| *units in the investment fund Sisu Game Ventures* | *10 969 619* | *8 164 078* | *financial assets evaluated at amortized costs* |
| *shares in Gamesture sp. z o.o.* | *12 157 562* | *12 225 851* | *financial assets evaluated at amortized costs* |
| Trade receivables and other receivables, including: | 34 144 644 | 40 320 982 | |
| *unrealised exchange rate differences on valuation* | *44 565* | *38 369* | *financial assets measured at fair value* |
| Cash and cash equivalents, including: | 118 125 085 | 142 005 482 | |
| *unrealised exchange rate differences on valuation* | *-2 744* | *-276 456* | *financial assets measured at fair value* |

| FINANCIAL LIABILITIES | 31.12.2024 | 31.12.2023 | Category of financial instruments |
|---|---|---|---|
| Trade liabilities, including: | 9 839 272 | 9 827 339 | |
| *unrealised exchange rate differences on valuation* | *-5 065* | *-1 496* | *financial assets evaluated at amortized costs* |

For both financial assets and financial liabilities, fair value equals carrying value.

## 13. RECEIVABLES

The structure of receivables is presented in table below:

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Trade receivables | 30 291 061 | 36 585 837 |
| Other receivables | 3 853 583 | 3 735 145 |
| Accruals | 3 751 848 | 3 881 195 |
| **Receivables** | **37 896 492** | **44 202 177** |

### Trade receivables

Payments from users are aggregated by intermediaries (mobile application stores, payment aggregators, licensees). Payments from displayed ads, on the other hand, are accumulated by advertising intermediaries. In the structure of receivables, the largest balances come from:

1) Apple Distribution International – 35.65% at 31 December 2024 compared to 39.42% at 31 December 2023;
2) Google Inc. – 33.80% as of 31 December 2024 compared to 35.02% as of 31 December 2023;
3) Xsolla Inc. – 11.26% as of 31 December 2024 compared to 16.05% as of 31 December 2023.

No other entity exceeded a 10% share of total receivables on 31 December 2024.

Currency structure:

| | 31.12.2024 | | | 31.12.2023 | | |
|---|---|---|---|---|---|---|
| **Currency** | **amount in currency** | **valuation** | **% share** | **amount in currency** | **valuation** | **% share** |
| PLN | 11 409 936 | 11 409 936 | 37.67% | 13 302 793 | 13 302 793 | 36.36% |
| USD | 3 578 554 | 14 676 364 | 48.45% | 5 361 442 | 21 097 274 | 57.67% |
| EUR | 974 582 | 4 164 388 | 13.75% | 460 882 | 2 003 916 | 5.48% |
| Other currencies | ------ | 40 373 | 0.13% | ------ | 181 854 | 0.50% |
| **TOTAL** | | **30 291 061** | **100.0%** | | **36 585 837** | **100.0%** |

Age structure:

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **age structure – overdue** | **value of receivables** | **value of receivables** |
| **From associates** | **2 883 046** | **1 371 805** |
| not overdue | 2 883 046 | 1 371 805 |
| up to 1 month | 0 | 0 |
| 1-3 months | 0 | 0 |
| 3-6 months | 0 | 0 |
| 6-12 months | 0 | 0 |
| over a year | 0 | 0 |
| **From others** | **27 408 015** | **35 214 032** |
| not overdue | 27 353 670 | 32 383 199 |
| up to 1 month | 53 866 | 2 828 531 |
| 1-3 months | 0 | 1 052 |
| 3-6 months | 180 | 1 250 |
| 6-12 months | 299 | 0 |
| over a year | 0 | 0 |
| **Total receivables** | **30 291 061** | **36 585 837** |

**Other receivables**

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Other short-term receivables, including:** | **3 853 583** | **3 735 145** |
| - tax related | 3 809 639 | 3 667 533 |
| - deposit for office rental | 43 944 | 67 612 |

**Accruals**

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Maintenance of software technical service /program subscriptions | 3 512 053 | 3 209 401 |
| Annual fee – marketing campaign tracking tool | 136 418 | 355 385 |
| Registration fees for filing trademarks | 0 | 94 950 |

| | | |
|---|---|---|
| Insurance | 62 124 | 87 472 |
| Other accruals | 41 253 | 133 987 |
| **Active cost accruals** | **3 751 848** | **3 881 195** |

## 14. CASH AND CASH EQUIVALENTS

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Cash at hand and in bank accounts:** | **118 125 085** | **142 005 482** |
| cash on hand | 3 615 | 1 713 |
| cash in bank accounts | 118 121 470 | 142 003 769 |
| *including deposits up to 3 months* | *97 164 227* | *114 322 762* |
| **Total** | **118 125 085** | **142 005 482** |

As at December 31, 2024, the Company had cash in the following banks: ING Bank Śląski S.A. and Bank Gospodarstwa Krajowego S.A. The maximum value of credit risk associated with cash equals its carrying value. Cash in current accounts does not bear interest. The fair value of cash and cash equivalents as at December 31, 2024 does not differ significantly from their carrying value

## 15. SHARE CAPITAL

The share capital of Ten Square Games S.A. as at 31/12/2024 amounts to PLN 647,600 and is divided into 6,476,000 bearer shares with a nominal value of PLN 0.10 each.

## 16. SHARE BUYBACK AND CANCELLATION OF OWN SHARES

Between February 12 and February 22, 2024, the Company accepted offers for the sale of its shares as part of the share buyback program initiated by the Parent Entity. This buyback was conducted in accordance with Resolution No. 3 of the General Meeting of Shareholders of the Issuer, adopted on December 19, 2023, which authorized the Management Board to acquire treasury shares on behalf of and for the Company, established the rules for acquiring treasury shares, and created a reserve capital.

On February 27, 2024, the off-exchange settlement of the transaction took place, resulting in the Company acquiring 954,166 own shares at a price of PLN 120 per share. The total purchase cost (including fees, intermediary commissions, etc.) amounted to PLN 114,589,920, translating to an average price of PLN 120.09 per share.

The acquired shares represent 13.01% of the Company's share capital and total voting rights at the General Meeting. In accordance with Article 364 § 2 of the Commercial Companies Code, the Company will not exercise ownership rights from own shares, except for the rights to dispose of them or to take actions necessary to preserve those rights.

In accordance with the Share Buyback Resolution:

1. at least 90% of the shares acquired under the Buyback were to be canceled (the General Meeting of Shareholders adopted the relevant resolution to cancel 858,822 shares on May 23, 2024, with the registration in the National Court Register (KRS) completed on July 3, 2024);
2. the remaining shares acquired under the Buyback may be allocated by the Management Board in any legally permissible manner, taking into account the Company's operational needs.

The Company also repurchased own shares in 2022. In total, across both buyback programs (in 2022 and 2024), the Company acquired 1,024,166 treasury shares, representing 13.96% of the share capital. As of the date of issuance of this report, the Company has allocated 34,064 shares as part of the settlement of incentive programs and canceled 858,822 shares (registered in KRS on July 3, 2024). This means that the Company currently holds 131,280 own shares, representing 2.03% of the Company's share capital and voting rights.

## 17. TRADE LIABILITIES

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|

| | | |
|---|---|---|
| **Zobowiązania handlowe** | **9 839 272** | **9 827 339** |
| **Trade liabilities** | 161 253 | 205 958 |
| towards related parties | 9 678 019 | 9 621 381 |

| **Specification** | ***Total*** | ***due date*** | | |
|---|---|---|---|---|
| | | ***overdue:*** | | ***not overdue, payable to:*** |
| | | **0-30 days** | **31-90 days** | **0 - 30 days** |
| **31.12.2024** | **9 839 272** | **0** | **0** | **9 839 272** |
| Towards related parties | 161 253 | 0 | 0 | 161 253 |
| Towards third parties | 9 678 019 | 0 | 0 | 9 678 019 |
| **31.12.2023** | **9 827 339** | **713** | **19 463** | **9 807 163** |
| Towards related parties | 205 958 | 0 | 0 | 205 958 |
| Towards third parties | 9 621 381 | 713 | 19 463 | 9 601 205 |

## 18. LEASE LIABILITIES

| **Specification** | **31.12.2024** | **31.12.2023** |
|---|---|---|
| Short – term lease liabilities | 2 242 188 | 3 515 323 |
| Long – term lease liabilities | 4 897 812 | 555 399 |
| *- due within 1 to 2 years* | *2 373 292* | *555 399* |
| *- due within 2 to 3 years* | *2 524 520* | *0* |
| *- due within 3 to 4 year* | 0 | 0 |
| *- due within 4 to 5 years* | 0 | 0 |
| **TOTAL LEASE LIABILITIES** | **7 140 000** | **4 070 722** |

Leasing liabilities result from concluded leasing agreements described in detail in the note "Leasing agreements".

The costs included in the result resulting from concluded leasing agreements are presented below:

| **Specification** | **31.12.2024** | **31.12.2023** |
|---|---|---|
| Amortization | 2 400 439 | 3 541 940 |
| Interest | 629 036 | 183 215 |
| Realised and unrealised exchange rate differences | 347 250 | 797 509 |
| **TOTAL** | **3 376 725** | **4 522 664** |

## 19. OTHER LIABILITIES

| **Specification** | **31.12.2024** | **31.12.2023** |
|---|---|---|
| **Liabilities due to the acquisition of Rortos (earn-out payments)** | **30 498 681** | **35 359 254** |
| *- long – term* | *15 734 213* | *24 221 614* |
| *- short – term* | *14 764 468* | *11 137 640* |
| **Other liabilities** | **960 080** | **3 830 780** |
| *- long – term* | *0* | *0* |
| *- short – term, including:* | *960 080* | *3 830 780* |
| Foreign VAT tax | 0 | 2 924 921 |
| Witholding Tax | 2 952 | 27 429 |
| Personal Income Tax | 238 571 | 214 101 |
| Social insurance contributions (ZUS) | 688 514 | 636 697 |

| | | |
|---|---|---|
| State Fund for Rehabilitation of Disabled People (PFRON) | 30 043 | 27 632 |
| **TOTAL OTHER LIABILITIES** | **31 458 761** | **39 190 034** |
| ***- long – term*** | ***15 734 213*** | ***24 221 614*** |
| ***- short – term*** | ***15 724 548*** | ***14 968 420*** |

The liability related to earn-out payments is further described in the note *Investments in subsidiaries*.

The Company did not have any overdue other liabilities as of the balance sheet dates December 31, 2024. As of December 31, 2023, the Company had an overdue foreign VAT liability amounting to PLN 2.4 million. In 2024, the Parent Entity paid the required tax amount along with interest.

## 20. PROVISIONS FOR EMPLOYEE BENEFITS

In the reporting period covered by these financial statements, the following changes occurred:

| Specification | As at 1.01.2024 | Changes during the year | | | As at 31.12.2024 |
|---|---|---|---|---|---|
| | | Estimate | Reclassification from long – term to short – term | Use | |
| Holiday provision | 1 374 739 | 1 342 670 | 0 | -1 374 739 | 1 342 670 |
| Provisions for bonuses (short - term) | 4 873 313 | 2 355 442 | 1 268 689 | -4 606 605 | 3 890 839 |
| Provisions for bonuses (long - term) | 3 000 496 | 1 214 394 | -1 268 689 | 0 | 2 946 201 |
| **TOTAL PROVISIONS** | **9 248 548** | **4 912 506** | **0** | **-5 981 344** | **8 179 710** |

The bonus provision primarily results from the bonus system implemented in the Capital Group in 2021 (a total of PLN 6.4 million, including both long-term and short-term components). The main objective of this system is to strengthen the retention of key employees and collaborators within the TSG Group. These bonuses are linked to financial performance and are payable only if the recipient remains employed in the Capital Group at the time of payout. Depending on the specific case, the deferral period ranges from several months to 2.5 years after the end of the period for which the bonus is awarded.

The remaining portion of the bonus provision (PLN 0.4 million) mainly consists of short-term provisions payable in the first half of 2025. In most cases, these amounts relate to entitlements for Q4 2024

In the previous reporting period, there were the following changes in provisions:

| Specification | As at 1.01.2023 | Changes during the year | | | As at 31.12.2023 |
|---|---|---|---|---|---|
| | | Estimate | Reclassification from long – term to short – term | Use | |
| Holiday provision | 1 260 189 | 1 374 739 | 0 | -1 260 189 | 1 374 739 |
| Provisions for bonuses (short - term) | 3 815 598 | 3 604 624 | 1 268 689 | -3 815 598 | 4 873 313 |
| Provisions for bonuses (long - term) | 2 605 726 | 1 663 459 | -1 268 689 | 0 | 3 000 496 |
| **TOTAL PROVISIONS** | **7 681 513** | **6 642 822** | **0** | **-5 075 787** | **9 248 548** |

## 21. SOCIAL ASSETS AND LIABILITIES OF THE COMPANY'S SOCIAL BENEFITS FUND

The Company did not have any company social benefits fund as at the balance sheet date 31/12/2024 and 31/12/2023.

## 22. CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, the Company did not have any significant contingent liabilities, including guarantees and sureties granted, including bills of exchange

## 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND PRINCIPLES

The Company's operations are exposed to the following financial risks:
(a) credit risk,
(b) liquidity risk,
(c) market risk.

**Credit risk** – this is a risk that arises when one of the parties to a financial instrument causes the Company to incur financial losses, if it fails to meet its obligations towards the Company. Credit risk arises in the case of receivables, cash and cash equivalents, deposits, purchased bonds and deposits. The Company's core business – generating revenues from games – due to its specific nature, is to a negligible extent exposed to this type of risk. The Company cooperates with a narrow group of customers (including aggregators of payments from individual users) and through long-established relationships and historical absence of problems with the repayment of receivables, exposure to a single credit risk is not high. The vast majority of receivables are repaid within 3 months after the receivables arise. The Company consistently monitors the inflow of receivables and keeps in touch with customers in case of payment delays. The Company invests its cash in reliable financial institutions (banks). Credit risk concerns the Company to an insignificant extent.

**Liquidity risk** – this is a risk that arises when the Company encounters difficulties in meeting its obligations related to financial liabilities. The Company cares about maintaining liquidity at an appropriate and safe level. Historically, the Company finances itself from its own resources and all new projects or significant purchases are verified for the possibility of timely repayment of the liability. Cash allows to cover all liabilities (the value of cash exceeds the value of liabilities more than twice) and therefore the entity does not assess this risk as significant. Liquidity risk concerns the Company to an insignificant extent.

**Market risk** – is the risk that arises when the fair value of a financial instrument or future cash flows related to it will fluctuate due to changes in market prices. This risk comprises three types of risk: currency risk, interest rate risk, other price risk.

*Currency risk* – is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Due to the global nature of Ten Square Games operations, where the majority of revenues are generated in USD and partly in EUR, the Company is exposed to the risk of rapid changes in foreign exchange rates, including in particular the strengthening of the Polish zloty against foreign currencies, mainly USD. The majority of revenue contracts are settled in foreign currencies, mainly in USD and PLN. As a result, the strengthening of the Polish zloty against the USD is an undesirable phenomenon for the Company, which results in a decrease in the Company's sales revenues. In order to reduce foreign exchange risk, the Company partially mitigates the currency risk in its operations by adjusting the currency cost structure, however, it is not possible to eliminate the Company's foreign exchange risk completely. The Company does not use (and has not used) any instruments to hedge against currency risk.

*Interest rate risk* – the risk that arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company invests surplus funds in interest-bearing assets (interest-bearing bank accounts) to an insignificant extent, hence it is not significantly exposed to interest rate risk. The main interest rate risk is related to debt instruments, however, in 2023 and 2022 the Company did not use external debt instruments with variable interest rates (loans and bonds), therefore it was not exposed to changes in cash flows as a result of interest rate changes.

*Other price risks* – these are risks that arise when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those resulting from interest rate or currency risk), regardless of whether these changes are caused by factors specific to individual financial instruments or to their issuer, or factors relating to all similar financial instruments traded on the market. The Group does not use financial instruments that carry a price risk. The Group is not exposed to any other price risk.

### ANALYSIS OF THE EXPOSURE TO CURRENCY RISK

A significant share of sales in USD and EUR in the Company's revenue structure means that the Company's financial results can be materially influenced by the exchange rate of the Polish zloty against these currencies. Net foreign currency exposure as at the balance sheet date is presented in the table below.

| currency risk – exposure to currency risk | 31.12.2024 USD | EUR | other currencies (excluding PLN) |
|---|---|---|---|
| trade receivables in currency | 3 578 554 | 974 582 | -------- |
| trade receivables valued at PLN | 14 676 364 | 4 164 388 | 40 373 |
| cash in foreign currency | 2 822 973 | 1 360 751 | -------- |
| cash and cash equivalents valued at PLN | 11 577 578 | 5 814 490 | 0 |
| trade liabilities in currency | 1 712 585 | 93 926 | -------- |
| trade liabilities valued at PLN | 7 023 653 | 401 346 | 0 |
| **net exposure in currency** | **4 688 942** | **2 241 407** | -------- |
| **net exposure in PLN** | **19 230 289** | **9 577 532** | **40 373** |

Data for the previous reporting period:

| currency risk – exposure to currency risk | 31.12.2023 USD | EUR | other currencies (excluding PLN) |
|---|---|---|---|
| trade receivables in currency | 5 361 442 | 460 882 | -------- |
| trade receivables valued at PLN | 21 097 274 | 2 003 916 | 181 854 |
| cash in foreign currency | 5 790 889 | 326 399 | -------- |
| cash and cash equivalents valued at PLN | 22 787 147 | 1 419 182 | -------- |
| trade liabilities in currency | 1 288 514 | 83 193 | -------- |
| trade liabilities valued at PLN | 5 071 745 | 361 660 | 31 427 |
| **net exposure in currency** | **9 863 817** | **704 088** | -------- |
| **net exposure in PLN** | **38 812 676** | **3 061 438** | **150 427** |

The table below presents the Company's sensitivity to a 10% increase in the zloty's exchange rate in relation to the abovementioned currencies. A positive value indicates an increase in pre-tax profit due to an increase in the exchange rate (weakening of the Polish zloty).

| currency risk – sensitivity analysis | 31.12.2024 | 31.12.2023 |
|---|---|---|
| change by +10% / -10% | + 2 884 819 / - 2 884 819 | + 4 202 454 / - 4 202 454 |

## 24. CAPITAL MANAGEMENT

The main objective of the Company's capital management is to maintain solid credit rating and safe capital ratios that would support the Company's operations and increase the value for its shareholders. At present, the Company finances its operations with operating profits and does not use debt financing. The Company manages its capital structure and may change it as a result of changes in the economic situation. In order to maintain or adjust the capital structure, the Company may change the payment of dividends to shareholders, return capital to shareholders or issue new shares. In the years ended 31 December 2024 and 31 December 2023, no changes were introduced to the objectives, principles and processes applicable in this area.

| Specification | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Interest-bearing loans and borrowings | 0 | 0 |
| Trade liabilities and other liabilities | 41 298 033 | 49 017 373 |
| Cash and cash equivalents | 118 125 085 | 142 005 482 |

| | | |
|---|---|---|
| **Net debt** | **-76 827 052** | **-92 988 109** |
| Equity | 259 677 051 | 297 603 147 |
| **Total capital** | **259 677 051** | **297 603 147** |
| **Net equity and debt** | **336 504 103** | **390 591 256** |

## 25. PROGRAMY ŚWIADCZEŃ PRACOWNICZYCH

In connection with the introduction of the Employee Capital Plans (PPK) program in Poland, the Company entered into an agreement with Aviva Specjalistyczny Fundusz Inwestycyjny Otwarty PPK for the management of the Employee Capital Plan. As a result, employees of the Parent Entity became participants in the Plan starting in November 2020.

Following the merger of companies, the Aviva brand in Poland was rebranded as Allianz on July 2, 2022. Consequently, the investment company Aviva Investors Poland Towarzystwo Funduszy Inwestycyjnych S.A. changed its name to Towarzystwo Funduszy Inwestycyjnych Allianz Polska S.A.

The total costs of the PPK program (employer contributions) incurred by the Company in 2024 amounted to PLN 224 thousand, compared to PLN 217 thousand in 2023.

## 26. SHARE BASED INCENTIVE PROGRAMS

### INCENTIVE PROGRAM FOR THE PRESIDENT OF THE MANAGEMENT BOARD – MAY 2020

In the reporting period, the Company recognized the last part of the cost of a dedicated incentive program for the President of the Management Board, Mr. Maciej Zużalek. The incentive program in question includes the transfer of 144,825 shares by the Company's existing shareholders at a nominal price of PLN 0.1 per share. In accordance with IFRS 2 "Share-based payments", each transfer of capital instruments of an economic entity made by its shareholders to contractors providing goods or services is a share-based payment and is subject to valuation in accordance with the indicated standard. The market value of the program amounted to PLN 72.4 million, and the cost (not related to cash outflow) was borne by the Group proportionally over a period of 3 years (12 started quarters), starting from the second quarter of 2020 and ending in the first quarter of 2023.

### INCENTIVE PROGRAM FOR KEY PERSONNEL – SEPTEMBER 2023

On September 5, 2023, the Management Board of the Parent Entity adopted a short-term incentive program for key employees and associates of the Capital Group. The condition for receiving the shares was to remain in the Group's structures until the end of 2023, and the total pool of the program was 8,164 shares. After meeting the program conditions, participants purchased shares in January 2024 for a nominal share price of PLN 0.10 per share. The shares used in this program come from the buyback of shares that took place in the first quarter of 2022. The shares transferred to program participants are subject to a time limit for their sale until the end of 2024.

The accounting cost of this program was recognized during 2023.

### INCENTIVE PROGRAM FOR KEY PERSONNEL – DECEMBER 2023

On December 21, 2023, the Management Board of the Parent Entity adopted an incentive program for 2024-2025 for key personnel (i.a. employment contract, B2B) of the Capital Group. The condition for receiving shares is meeting individual quality criteria for participants; financial criteria (Group results); criterion of remaining employed within the Group. In total, participants will be able to purchase up to 32,400 shares in three tranches. After meeting the program conditions, participants will be able to purchase shares for a nominal share price of PLN 0.10 per share. The shares used in this program come from share buybacks that took place in the first quarter of 2022 and 2024. The shares transferred to program participants will be subject to a time lock-up before they will be able to sell them. As at the date of issuing this report, 10,800 shares were distributed to participants as part of the settlement of the program in the first quarter of 2024. The Company estimates that as part of the settlement of the second tranche of the program, 7,020 shares will be issued at the beginning of 2025.

The accounting cost of executing the program in 2024 amounted to PLN 1.7 million (including both the first and second tranches of the program).

**INCENTIVE PROGRAM FOR THE MANAGEMENT BOARD – DECEMBER 2023**

On December 19, 2023, the General Meeting of Shareholders of the Company adopted an incentive program for 2024-2025 addressed to members of the Company's Management Board. The condition for receiving shares is to present an action plan for 2024 (1st tranche); meeting financial criteria (Group's results) for 2024-2025 (2nd and 3rd tranches); remaining on the Company's Management Board. In total, participants will be able to purchase up to 37,500 shares in three tranches. After meeting the program's conditions, participants will be able to purchase shares for a nominal share price of PLN 0.10 per share. The shares used in this program come from the share buyback that took place in the first quarter of 2022. The shares transferred to program participants will be subject to a sale time lock up. As at the date of issuing this report, 12,500 shares were distributed to participants as part of the settlement of the program in the first quarter of 2024).

The Supervisory Board set the performance target for the second tranche of the program, i.e., for 2024. The target was defined as achieving a specified amount of Adjusted EBITDA (consolidated data), as outlined in the table below:

| Program Criterion – Adjusted EBITDA Amount (consolidated data in PLN) | % of the initially allocated share pool eligible for acquisition by a Management Board Member | Number of shares in the pool for 2024 (total for all Management Board Members) |
|---|---|---|
| 135,000,000 & more | 100% | 12 500 |
| 125,000,000 – 134.999.999 | 95% | 11 875 |
| 115,000,000 – 124,999,999 | 85% | 10 625 |
| 110,000,000 – 114,999,999 | 75% | 9 375 |
| 105,000,000 – 109,999,999 | 65% | 8 125 |
| Below 105.000.000 | 0 | 0 |

In accordance with the program rules, after the financial statements for the given year are finalized, the Supervisory Board will adopt a resolution on the final allocation of shares. As of the date of issuance of this report, the program cost recognized for 2024 corresponds to the target achievement range entitling participants to acquire 65% of the initially allocated shares.

The accounting cost of executing the program in 2024 amounted to PLN 2 million (including both the first and second tranches of the program).

**ADDITIONAL ONE-TIME COMPENSATION UBDER THE SHARE PROGRAM – NOVEMBER 2024**

On November 27, 2024, the Company's Management Board adopted a resolution on additional compensation for key collaborators of the Company. Based on this resolution, in December 2024, the designated collaborators acquired 2,600 shares of the Company at a nominal price of 10 groszy per share.

The accounting cost of executing the program amounted to PLN 0.2 million.

**RECONCILIATION OF COSTS**

Reconciliation of costs of incentive schemes by nature and by function:

| Specification | 1.01.2024-31.12.2024 | 1.01.2023-31.12.2023 |
|---|---|---|
| **Share-based payments - cost by nature:** | **3 977 436** | **6 690 040** |
| Cost of incentive program for the previous President of the Management Board | 0 | 6 033 168 |
| Incentive program for key personnel – September 2023 | 0 | 656 872 |

| | | |
|---|---|---|
| Incentive program for key personnel – December 2023 | 1 746 370 | 0 |
| Incentive program for Management Board – December 2023 | 2 021 766 | 0 |
| Additional one-time compensation under the share program – November 2024 | 209 300 | 0 |
| **Share-based payments - costs by function:** | **3 977 436** | **6 690 040** |
| Cost of goods and services sold | 1 851 020 | 145 873 |
| Selling costs | 0 | 66 458 |
| General administrative costs | 2 126 416 | 6 477 709 |
| Capitalization of share-based payment costs (game production) | 0 | 0 |

The reconciliation of the costs of the incentive schemes to the capital created from the valuation of the incentive scheme is as follows:

| Specification | Na dzień 31.12.2024 | Na dzień 31.12.2023 |
|---|---|---|
| **TOTAL Capital from the settlement of the incentive scheme** | **99 448 841** | **95 471 416** |
| Incentive program for key personnel – December 2023 | 1 746 370 | 0 |
| Incentive program for Management Board – December 2023 | 2 021 766 | 0 |
| Additional one-time compensation under the share program – November 2024 | 209 300 | 0 |
| Cost of incentive program for the previous President of the Management Board | 72 398 011 | 72 398 022 |
| Incentive program for key personnel – September 2023 | 656 872 | 656 872 |
| Including costs of incentive program in 2021 | 17 079 974 | 17 079 974 |
| Including costs of incentive program in 2020 | 3 572 514 | 3 572 514 |
| W tym kos Including costs of incentive program in 2019 | 1 187 441 | 1 187 441 |
| Including costs of incentive program in 2018 | 236 328 | 236 328 |
| Including costs of incentive program in 2017 | 340 265 | 340 265 |

## 27. INFORMATION ON AFFILIATED ENTITIES, INCLUDING INFORMATION ON REMUNERATION OF SENIOR MANAGEMENT AND THE SUPERVISORY BOARD

The tables below present total amounts of transactions conducted with affiliates for the current and previous reporting periods:

### 1. Management Board

Below, remuneration is presented separately as paid and accrued. If no annotation is provided, the paid amount equals the accrued amount for the given reporting period. The totals for each individual reflect only the accrued amounts, in accordance with the accrual principle, which is the basis for the preparation of this financial statement.

| | Remuneration | | Net dividend | |
|---|---|---|---|---|
| **Period** | **01.01.2024-31.12.2024** | **01.01.2023-31.12.2023** | **01.01.2024-31.12.2024** | **01.01.2023-31.12.2023** |
| **Management Board (total due remuneration)** | **4 740 472** | **9 427 589** | **0** | **834 775** |
| **Andrzej Ilczuk** | **2 174 872** | **1 165 902** | **-** | **60 583** |
| *- cash fixed renumeration* | *834 000* | *751 935* | - | *60 583* |
| *- due cash variable renumeration* | *613 222* | *413 967* | - | - |
| *- paid cash variable renumeration* | *649 888* | *223 283* | - | - |
| *- share based motivation program* | *727 650* | - | - | - |

| | | | | |
|---|---|---|---|---|
| **Janusz Dziemidowicz** | **1 282 800** | **636 000** | **-** | **491 340** |
| *- cash fixed renumeration* | *636 000* | *636 000* | - | *491 340* |
| *- share based motivation program* | *646 800* | - | - | - |
| **Magdalena Jurewicz** | **1 282 800** | **636 000** | **-** | **113 724** |
| *- cash fixed renumeration* | *636 000* | *636 000* | - | *113 724* |
| *- share based motivation program* | *646 800* | - | - | - |
| **Maciej Zużałek (till 22.05.2023)** | ***0*** | **6 375 362** | **-** | **n/a** |
| *- cash fixed renumeration* | - | *342 194* | - | n/a |
| *- share based motivation program* | - | *6 033 168* | - | - |
| **Anna Idzikowska (till 28.02.2023)** | ***0*** | **111 139** | **-** | **n/a** |
| *- cash fixed renumeration* | - | *106 000* | - | n/a |
| *- due paid cash variable renumeration* | - | *5 139* | - | - |
| **Wojciech Gattner (till 22.05.2023)** | ***0*** | **503 186** | **-** | **169 128** |
| *- paid cash fixed renumeration* | - | *264 129* | - | *169 128* |
| *- paid cash variable renumeration* | - | *306 334* | - | - |
| *- due cash variable renumeration* | - | *239 057* | - | - |
| **Supervisory Board** | **372 000** | **372 000** | **-** | **4 119 293** |
| Rafał Olesiński | 102 000 | 102 000 | - | 3 902 |
| Maciej Marszałek | 60 000 | 60 000 | - | 256 608 |
| Wiktor Schmidt | 48 000 | 48 000 | - | 0 |
| Marcin Biłos | 54 000 | 54 000 | - | 0 |
| Kinga Stanisławska | 54 000 | 54 000 | - | 612 |
| Arkadiusz Pernal | 54 000 | 54 000 | - | 3 858 171 |
| **Affiliated persons (Ten Square Games S.A.)** | **59 000** | **43 500** | **-** | **n/a** |
| Maciej Popowicz (from 1.04.2023) | 59 000 | 43 500 | - | n/a |
| **Key personnel (Ten Square Games S.A.)** | **0** | **0** | **-** | **n/a** |
| **Family members of key personnel / Management Board (Ten Square Games S.A.)** | **0** | **0** | **-** | **n/a** |

| **Affiliated person** | **Liabilities/provisions** | | **Receivables** | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| **Management Board** | **300 881** | **332 134** | **680** | **1 511** |
| Andrzej Ilczuk | 239 381 | 270 634 | 680 | 1 511 |
| Janusz Dziemidowicz | 61 500 | 61 500 | 0 | 0 |
| Magdalena Jurewicz | 0 | 0 | 0 | 0 |
| **Supervisory Board** | **0** | **0** | **0** | **0** |
| **Affiliated persons (Ten Square Games S.A.)** | **5 535** | **5 535** | **0** | **0** |
| **Key Personel (Ten Square Games S.A.)** | **0** | **0** | **0** | **0** |
| **Family members of key personel/Management Board (Ten Square Games S.A.)** | **0** | **0** | **0** | **0** |

For Management Board members, the fixed cash remuneration includes amounts resulting from two legal relationships:

- appointment,
- employment contract / cooperation agreement.

Transactions between related parties took place on terms equivalent to those in arm's length transactions. The executives did not enter into transactions with subsidiaries of Ten Square Games S.A.

**2. Other affiliated entities**

| Affiliated entity | Net sales | | Net purchase | | Dividend | | Earn-out payment | |
|---|---|---|---|---|---|---|---|---|
| **Period:** | **1.01.2024 – 31.12.2024** | **1.01.2023 – 31.12.2023** | **1.01.2024 – 31.12.2024** | **1.01.2023 – 31.12.2023** | **1.01.2024 – 31.12.2024** | **1.01.2023 – 31.12.2023** | **1.01.2024 – 31.12.2024** | **1.01.2023 – 31.12.2023** |
| **Subsidiaries:** | **7 626 361** | **7 148 052** | **526 478** | **3 692 316** | **7 358 024** | **8 161 057** | **-** | **-** |
| Play Cool Zombie Sport Games Sp. z o.o. | 17 400 | 28 029 | 0 | 0 | 2 000 000 | 0 | - | - |
| Tiny Dragon Adventure Games Sp. z o.o. | 0 | 253 550 | 0 | 0 | 0 | 0 | - | - |
| Fat Lion Games Sp. z o.o. | 0 | 125 452 | 0 | 0 | 0 | 0 | - | - |
| Ten Square Games Germany GmbH | 0 | 0 | 494 332 | 2 542 349 | 0 | 0 | - | - |
| Ten Square Games S.R.L | 0 | 0 | 32 146 | 1 149 967 | 0 | 0 | - | - |
| RORTOS S.R.L. | 7 608 961 | 6 741 021 | 0 | 0 | 5 358 024 | 8 161 057 | - | - |
| **Personally affiliated entities:** | **0** | **0** | **37 993** | **71 390** | **-** | **-** | **10 521 483** | **4 176 915** |
| Olesiński i Wspólnicy Spółka komandytowa | 0 | 0 | 37 993 | 71 390 | - | - | - | - |
| Roberto Simonetto | 0 | 0 | 0 | 0 | - | - | 6 288 630 | 2 513 984 |
| Antonio Farina | 0 | 0 | 0 | 0 | - | - | 4 232 853 | 1 662 931 |
| **Associates:** | **525 492** | **0** | **29 138** | **36 383** | **-** | **-** | **-** | **-** |
| Gamesture Sp. z o.o. | 525 492 | 0 | 29 138 | 36 383 | - | - | - | - |

| Affiliated entity | Gross receivables | | Gross liabilities | | Loans | |
|---|---|---|---|---|---|---|
| **As at:** | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| **Subsidiaries:** | **2 611 444** | **1 370 021** | **0** | **31 427** | **0** | **187 838** |
| Play Cool Zombie Sport Games Sp. z o.o. | 1 784 | 5 228 | 0 | 0 | 0 | 0 |
| Tiny Dragon Adventure Games Sp. z o.o. | 0 | 0 | 0 | 0 | 0 | 0 |
| Fat Lion Games Sp. z o.o. | 0 | 0 | 0 | 0 | 0 | 0 |
| Ten Square Games Germany GmbH | 0 | 269 338 | 0 | 0 | 0 | 0 |
| Ten Square Games S.R.L | 0 | 0 | 0 | 31 427 | 0 | 187 838 |
| RORTOS S.R.L. | 2 609 660 | 1 095 455 | 0 | 0 | 0 | 0 |
| **Personally affiliated entities:** | **0** | **0** | **29 187 703** | **35 366 265** | **0** | **0** |
| Olesiński i Wspólnicy Spółka komandytowa | 0 | 0 | 14 268 | 7 011 | 0 | 0 |
| Roberto Simonetto | 0 | 0 | 17 501 144 | 21 212 017 | 0 | 0 |
| Antonio Farina | 0 | 0 | 11 672 291 | 14 147 237 | 0 | 0 |
| **Associates:** | **271 602** | **0** | **0** | **20 535** | **1 399 344** | **939 421** |
| Gamesture Sp. z o.o. | 271 602 | 0 | 0 | 20 535 | 1 399 344 | 939 421 |

In previous years, the Parent Company sold internally produced games to its Polish subsidiaries and received remuneration in return. On the other hand, Ten Square Games Germany GmbH and Ten Square Games S.R.L. were established in order to acquire human capital (gaming industry talent) in the local markets. Employees of these companies work for games produced by the Parent Company and their cost is then invoiced to the Parent Company. Transactions between the Parent and Rortos S.r.l. consist of production/maintenance support for Rortos' games, for which the Parent receives remuneration.

The Parent uses legal/tax services offered by the law firm Olesinski i Wspólnicy Sp.k. as needed, each time basing on the valuation of works for a given project. Transactions between related parties took place on terms equivalent to those applicable to transactions concluded on market terms.

The liability to Mr Roberto Simonetto and Mr Antonio Farina arises from the purchase of 100% of the shares in Rortos, as further described in note “Goodwill”.

## 25. EMPLOYMENT

The average of employees in the financial year was 169 persons (193 in 2023). The main group of employees are specialists in information and communication technologies

## 26. LEASE AGREEMENTS

In January 2024, the Company amended its existing lease agreements from 2019 and 2020, thereby extending the lease of office space in the City One office and service building, located at Traugutta 45 in Wrocław. The agreements have been extended until the end of 2027.

The aforementioned agreements are recognized in the financial statements in accordance with IFRS 16. The initial value of the acquired right-of-use asset is recorded under fixed assets and subsequently amortized over the lease term. Discounted lease payments are recognized under liabilities, classified appropriately into long-term and short-term portions

## 27. LITIGATIONS

The Company had no pending court cases in 2024 or in 2023.

## 28. EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date that could impact the financial data presented in the report for the period ended December 31, 2024.

## 29. INFORMATION ON TRANSACTIONS WITH THE ENTITY AUDITING THE FINANCIAL STATEMENTS

| Specification | cost in 2024 | cost in 2023 |
|---|---|---|
| audit of the consolidated and standalone financial statements for 2024 (2023) | 117 000 | 82 600 |
| review of the consolidated and standalone financial statements for the first half of 2024 (2023) | 56 000 | 41 400 |
| attestation service for compliance verification with the ESEF Regulation for the year 2024 (2023) | 8 000 | 7 000 |
| attestation service for the assessment of the remuneration report for the year 2024 (2023) | 8 000 | 9 400 |
| **TOTAL** | **189 000** | **140 400** |

| function | name and last name | date | signature |
|---|---|---|---|
| President of the Management Board | Andrzej Ilczuk | 24.03.2025 | |
| Member of the Management Board | Janusz Dziemidowicz | 24.03.2025 | |
| Member of the Management Board | Magdalena Jurewicz | 24.03.2025 | |
| Person entrusted with keeping the books of accounts | Karolina Hoszowska-Dubaniowska | 24.03.2025 | |