ten square games

H1 2026

REPORT OF THE MANAGEMENT BOARD ON THE ACTIVITIES
OF THE TEN SQUARE GAMES S.A. CAPITAL GROUP AND TEN SQUARE GAMES S.A. COMPANY

Wrocław, 24 August 2026

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1. GENERAL INFORMATION

Ten Square Games S.A. capital group consists of the parent company and subsidiaries. Ten Square Games S.A. (hereinafter also referred to as the „Parent Company", „TSG") was established as a result of the transformation of Ten Square Games Sp. z o. o., which was registered by the District Court on November 20, 2017.

BASIC DATA ABOUT THE PARENT COMPANY:

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

The composition of the **Capital Group** is described in Note 2 "General Information" to the interim condensed consolidated report of the Ten Square Games S.A. Capital Group for the first half of 2026.

The list of:

- **shareholders holding**, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of the issuer
- shares held by members of the Management Board or Supervisory Board of the Issuer
- share series
- changes in the shareholding structure

is described in Note 3 "General Information" to the interim condensed consolidated report of the Ten Square Games S.A. Capital Group for the first half of 2026.

The composition of the Company's governing bodies is described in Note 4 "General Information" to the interim condensed consolidated report of the Ten Square Games S.A. Capital Group for the first half of 2026.

2.

SELECTED FINANCIAL DATA

The Management Board of the Parent Entity performs a joint analysis based on consolidated data, due to the fact that individual and consolidated data for Ten Square Games S.A. and for the Ten Square Games S.A. Capital Group are similar to each other (preserved trends for individual balance sheet and result items).

In 2021, the Rortos subsidiary was acquired, which significantly changed the value of shares in the separate statements and the value of intangible assets in the consolidated statements in the line with an increase in the liability for the purchase and outflow of cash. However, this transaction did not have such a significant impact on the statement of comprehensive income, hence the Parent Entity decided to further describe the consolidated data.

The Management Board currently evaluates the Group's financial performance primarily based on 2 metrics: „Bookings" and „Adjusted/Recurring EBITDA".

Under „Bookings", the Group 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 conducting the incentive scheme in accordance with the financial reporting standards applicable to the Company;

» 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/impairments of cost connected with game development.

CONSOLIDATED DATA

STATEMENT OF COMPREHENSIVE INCOME	PLN		EUR	
	for the period 01.01.2026 – 30.06.2026	for the period 01.01.2025 – 30.06.2025	for the period 01.01.2026 – 30.06.2026	for the period 01.01.2025 – 30.06.2025
Bookings	191,680,595	171,857,045	45,077,982	40,716,699
Revenues	192,328,397	181,088,144	45,230,327	42,903,749
Cost of sales	32,431,411	29,808,823	7,626,972	7,062,363
Operating profit (loss)	30,899,259	54,280,387	7,266,652	12,860,213
Gross profit (loss)	32,545,707	52,706,934	7,653,851	12,487,428
Net profit (loss)	28,226,369	47,442,931	6,638,062	11,240,270
EBITDA	37,944,369	60,566,905	8,923,468	14,349,627
Adjusted EBITDA	40,305,838	57,554,614	9,478,820	13,635,949

CASH FLOW STATEMENT	PLN		EUR	
	for the period 01.01.2026 – 30.06.2026	for the period 01.01.2025 – 30.06.2025	for the period 01.01.2026 – 30.06.2026	for the period 01.01.2025 – 30.06.2025
Net cash flows from operating activities	39,369,457	56,314,893	9,258,609	13,342,232
Net cash flows from investment activities	-20,961,271	-16,541,605	-4,929,512	-3,919,069
Net cash flows from financial activities	-65,374,791	-101,587,006	-15,374,345	-24,068,188

BALANCE SHEET	PLN		EUR	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
Fixed assets	192,892,382	194,253,018	44,897,326	45,958,553
Current assets	128,806,351	178,789,881	29,980,763	42,300,111
Equity	190,527,836	220,367,790	44,346,958	52,137,079
Long-term liabilities	5,847,425	7,090,393	1,361,037	1,677,525
Short-term liabilities	125,323,472	145,584,716	29,170,094	34,444,060

EUR/PLN exchange rate	2026	2025
for the balance-sheet data	4.2963	4.2267
for the data from the profit and loss statement and cash flow statement	4.2522	4.2208

The average exchange rate of the National Bank of Poland dated at the balance sheet date was used to convert the balance sheet data.

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

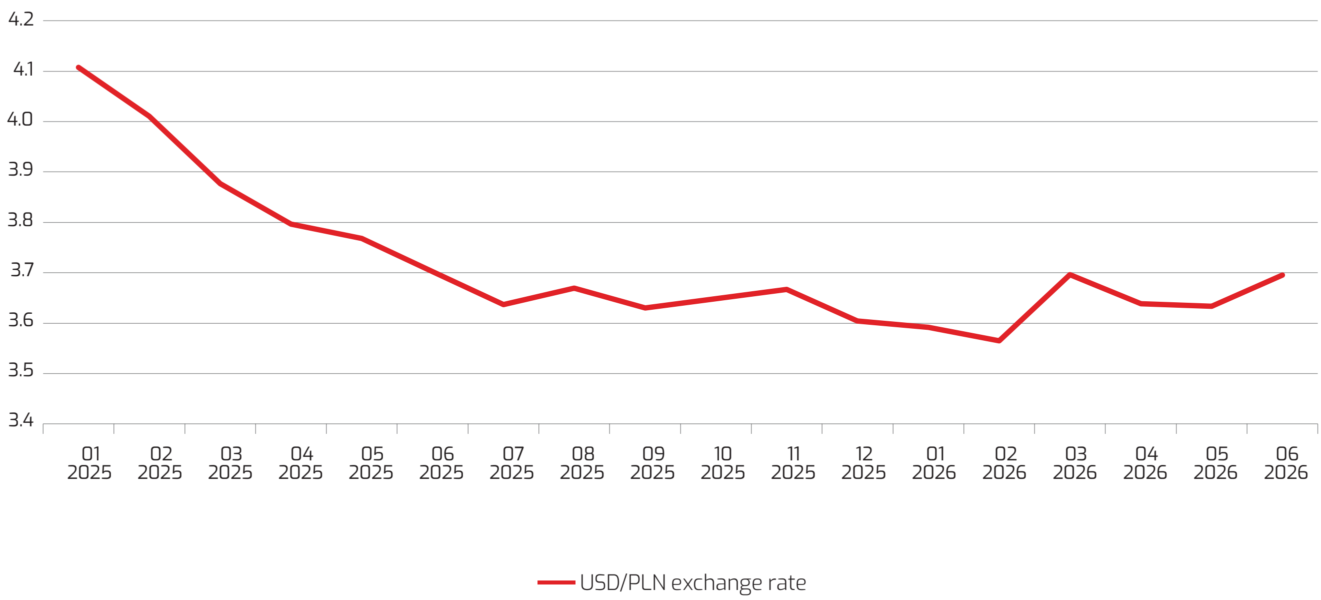
COMMENTARY TO THE STATEMENT OF COMPREHENSIVE INCOME

The first half of 2026 continued to be marked by significant geopolitical, currency and macroeconomic volatility. In addition, today's players have limited free time and are becoming increasingly selective, which creates major challenges for developers. As a Group operating in the mobile games market, Ten Square Games constantly competes for consumer attention, which affects the level of bookings. At the same time, rising costs – in particular the continuously increasing cost of user acquisition and the cost of tools – mean that running the business and maintaining its profitability remain key to long-term success.

From a product perspective, this period at Ten Square Games was marked by intensified work and the scaling of Trophy Hunter, the maintenance of key titles such as Fishing Clash and Hunting Clash, as well as intensive preparations for the launch of the second game in the shooter category, Medal Hunter. A detailed description of the activities carried out in relation to the Group's main games is presented in the note "Concise description of material achievements or failures of the issuer in the period covered by the report, including a list of the most important events concerning the issuer".

The Group's total bookings in the first half of 2026 amounted to PLN 191.7 million and were as much as 12% higher than in the corresponding period of 2025. It is worth noting that, in the first half of 2026, despite an upward trend, the USD/PLN exchange rate remained significantly below the level recorded in the first half of 2025. As an exporter of its services, the Group therefore reports lower revenue than it would have reported had the 2025 exchange rates been applied.

Average monthly exchange rate USD/PLN



BREAKDOWN OF CONSOLIDATED BOOKINGS PER GAME BY QUARTERS

GAME	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026
Fishing Clash	52,643,140	48,709,762	47,133,542	49,047,847	46,230,340	46,486,027
Hunting Clash	18,637,608	15,227,407	14,568,690	15,295,131	15,259,475	13,426,322
Wings of Heroes	7,291,234	6,294,386	8,397,619	9,800,011	11,104,261	9,676,635
Real Flight Simulator	5,297,592	5,193,527	5,469,157	5,180,558	5,249,276	4,903,236
Trophy Hunter	29,697	43,177	3,185,012	10,198,650	15,031,704	13,639,691
Let's Fish	2,024,803	2,190,763	2,274,784	2,233,739	2,180,215	2,092,081
Wild Hunt	1,999,937	1,700,447	1,648,248	1,661,653	1,377,306	1,292,776
Airline Commander	2,018,051	1,581,136	1,821,185	1,455,311	1,442,108	1,121,983
Medal Hunter						264,610
other	519,365	455,013	495,000	626,469	487,943	414,606
TOTAL BOOKINGS	**90,461,427**	**81,395,618**	**84,993,237**	**95,499,369**	**98,362,628**	**93,317,967**
Deferred revenues (consumables)	1,000,827	-2,991,836	1,205,454	-975,513	2,136,262	-761,960
Deferred revenues (durables)	5,190,738	6,031,370	4,185,657	-4,092,962	-1,904,894	1,178,394
TOTAL REVENUES	**96,652,992**	**84,435,152**	**90,384,348**	**90,430,894**	**98,593,996**	**93,734,401**

* under the bookings, the Group recognizes revenue not reduced by deferred revenue (i.e. in the case of microtransactions, these are payments made by users during the given period). The amount of deferred revenue is based on an estimate, as at the balance sheet date, of the unused virtual currency and permanent virtual goods held by active players. The amount of such deferred revenue is presented in the financial statements under the balance sheet item "contract liabilities."

BREAKDOWN OF CONSOLIDATED COSTS OF GOODS AND SERVICES SOLD BY QUARTERS

SPECIFICATION	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026
Depreciation – completed development work (mainly games)	2,063,508	2,114,471	2,254,787	2,225,742	2,186,312	2,222,119
Depreciation – other assets	596,355	540,929	533,119	531,907	522,858	520,467
Salaries and subcontractor services	11,191,466	11,110,084	11,184,748	11,862,333	12,378,844	13,104,712
Translations	317,254	350,529	394,904	338,603	324,371	393,792
Outsourcing of 3D models	93,338	103,677	81,876	67,324	279,665	218,333
Other	1,499,932	1,354,189	1,236,883	1,449,597	1,476,532	1,429,456
Cost of producing products for internal use (capitalization)	-748,935	-777,974	-58,311	-280,395	-1,058,432	-1,567,618
TOTAL COSTS OF GOODS AND SERVICES SOLD	**15,012,918**	**14,795,905**	**15,628,006**	**16,195,111**	**16,110,150**	**16,321,261**

Cost of goods sold depends closely on the number of open projects (games) and the stage at which they are. As at 30 June 2025, the Group completed the capitalisation of Trophy Hunter, which means that from 1 July 2025 the Group has, in a way, charged the result twice – both by recognising the current salary costs of the team and through amortisation of this title. Before that date, the game's production costs did not affect cost of goods sold at all. This is the main reason for the increase in cost of goods sold starting from the second half of 2025. This effect will be even greater in the second half of 2026, as from June 2026 the costs will also include amortisation of Medal Hunter and the ongoing maintenance of that game's team.

On the other hand, during the first half of 2026, the Group began capitalising the production costs of two games – one hunting game, which was written off in May 2026, and one fishing game, work on which is still ongoing – and the monthly production cost of Medal Hunter, capitalised since the third quarter of 2025, increased significantly. As a result, there was a significant overall increase in the capitalisation of production costs line, which at the same time reduced the costs recognised nominally in the statement of profit or loss.

THE BREAKDOWN OF CONSOLIDATED SELLING COSTS BY QUARTERS

SPECIFICATION	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026
Cost of sales	**44,823,513**	**39,142,065**	**47,193,660**	**56,907,892**	**61,598,480**	**53,168,559**
marketing:	15,602,094	12,727,474	20,063,875	30,033,925	32,397,879	25,880,590
– Fishing Clash	*8,151,812*	*7,565,442*	*6,521,755*	*7,126,171*	*5,693,899*	*7,682,013*
– Hunting Clash	*4,402,922*	*2,796,268*	*2,701,450*	*2,212,171*	*1,641,522*	*689,668*
– Trophy Hunter	*55,156*	*200,117*	*6,099,011*	*15,011,498*	*18,265,750*	*12,584,205*
– Wings of Heroes	*2,992,203*	*2,165,648*	*4,741,660*	*5,667,368*	*6,796,708*	*3,721,263*
– Medal Hunter				*16,716*		*1,139,769*
– other titles						*63,672*
provisions	23,804,627	20,151,644	21,280,912	20,958,262	22,496,545	20,809,037
revenue share	362,608	365,433	379,713	347,075	335,608	322,481
remuneration, subcontracting services	4,117,114	4,608,593	4,330,706	4,267,572	4,926,808	4,842,244
mobile games market research services	69,453	70,677	161,119	161,119	160,197	158,355
other	867,617	1,218,244	977,335	1,139,939	1,281,443	1,155,852

Selling costs are mainly affected by the level of marketing expenditure and the level of commissions, which are fully dependent on the level of bookings.

In terms of marketing expenditure, the Group recorded a significant increase in costs starting from the second half of 2025, which was related to the launch of Trophy Hunter at the beginning of July 2025. The game achieves good key parameters, and therefore marketing expenditure was gradually scaled during the period under review, with a slight reduction in budgets in the second quarter of 2026 related to preparations for the implementation of more advanced monetisation systems in the game. Another game in which expenditure was significantly increased was Wings of Heroes. In this case as well, improving game parameters made it possible to increase the marketing budget at the beginning of the year, which, in the longer term, should translate into an improvement in the Group's results.

At the same time, the Group reduced total expenditure on Fishing Clash and Hunting Clash in connection with activities aimed at improving the games' parameters, which should translate into the results achieved by marketing campaigns, assessed through the lens of long-term return on investment.

In terms of payment commissions, the Group has managed to significantly reduce the commission-to-bookings ratio by promoting its own direct-to-consumer channel, which is characterised by, on average, lower commission costs than the leading Google and Apple stores, and by expanding this channel in 2026 to further Group products, including Wings of Heroes and Trophy Hunter. Historically, the standard commission rate was 30% of the payment amount. Currently, in 2026, for Fishing Clash and Hunting Clash – titles that have had the D2C platform in their offering for many months – this rate is approximately 22-25%. It is also worth mentioning that the newest title, Trophy Hunter, is also monetised through ads, which account for approximately 25% of its revenue, and this model is not subject to payment commissions.

As a result, the commission-to-revenue ratio in the first half of 2026 effectively amounted to 23%.

A broader description of the activities undertaken to promote the Group's own channel is presented in the note "Concise description of material achievements or failures of the issuer in the period covered by the report, including a list of the most important events concerning the issuer".

BREAKDOWN OF CONSOLIDATED GENERAL AND ADMINISTRATIVE COSTS BY QUARTERS

SPECIFICATION	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026
Recurring costs, including:	**6,086,580**	**5,996,171**	**5,405,440**	**6,029,013**	**6,187,255**	**6,725,300**
payroll + third party services (TSG S.A.)	2,826,448	2,924,104	2,689,671	2,563,845	3,076,127	3,023,520
maintenance cost of subsidiaries	949,065	869,616	828,430	1,005,639	1,179,790	1,039,211
rent and maintenance of office (TSG S.A)	677,914	590,001	572,201	586,623	589,208	576,797
other	1,633,153	1,612,450	1,315,139	1,872,905	1,342,130	2,085,772
One-off/non-cash cost, including:	**296,636**	**979,857**	**643,053**	**-234,768**	**461,623**	**461,622**
MSOP	306,249	979,857	643,053	-234,768	461,623	461,622
M&A	-9,613	0	0	0	0	0
TOTAL GENERAL AND ADMINISTRATIVE COSTS	**6,383,216**	**6,976,028**	**6,048,493**	**5,794,245**	**6,648,878**	**7,186,922**

The slightly higher level of general and administrative costs in the first half of 2026, and in particular in the second quarter of 2026, resulted, among other factors, from a higher vacation provision and recruitment and training activities.

In terms of non-standard costs, in the second quarter of 2025 the Group recognised, for the first time, the cost of the new incentive programme for 2025-2029, with PLN 670 thousand of the programme cost recognised in general and administrative costs. The cost recognised in Q2 2025 in fact related to the period from January to June 2025; however, due to the programme being approved only in May 2025, the cost was recognised collectively in the second quarter. In the third quarter of 2025, the recognised cost already reflected the "standard" level of costs of both ongoing incentive programmes, while in the fourth quarter of 2025 the Group released part of the cost provision due to a reduction in the expected achievement threshold under the programme. In the first and second quarters of 2026, the cost effect of both tranches of the programme is visible, i.e. the tranche for 2025-2027 and the tranche for 2026-2028. A broader description of the programme is presented in the note "Share-based incentive programmes".

Across the compared periods, the significant quarter-to-quarter fluctuations in Adjusted EBITDA were driven mainly by the level of marketing expenditure in individual periods. The better result in the first quarter of 2025 was due to a sharp reduction in marketing expenditure in March 2025. The second quarter reflected the continuation of lower marketing expenditure in Fishing Clash and Hunting Clash, which, however, translated into lower bookings for these titles in subsequent periods. The following quarters, and in particular the first quarter of 2026, reflected significant marketing investment in Trophy Hunter. Currently, quarterly marketing expenditure on the promotion of Trophy Hunter is almost equal to bookings generated by the game, whereas in the case of the Group's other historical titles such a situation did not occur – quarterly bookings were usually higher than marketing expenditure incurred in the same period. Although higher expenditure reduces the result in the short term, in the longer term it should generate higher bookings in subsequent periods and translate into an increase in Adjusted EBITDA.

RECONCILIATION OF OPERATING RESULT TO ADJUSTED EBITDA PARAMETER BY QUARTERS

SPECIFICATION	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026
Operating profit (EBIT)	**30,618,819**	**23,661,566**	**21,677,546**	**11,742,357**	**14,483,480**	**16,415,779**
amortization and depreciation (excluding capitalized portion)	3,173,305	3,113,215	3,280,113	3,226,052	3,168,426	3,179,452
write-downs for impairment	0	0	0	0	0	697,232
EBITDA	**33,792,124**	**26,774,781**	**24,957,659**	**14,968,409**	**17,651,906**	**20,292,463**
non-cash impact of incentive scheme (excluding capitalized portion)	495,000	1,605,476	1,050,237	-307,479	995,587	1,355,586
deferred result (revenue minus commissions) – consumables	-500,670	2,485,739	-1,015,236	722,306	-1,473,145	586,647
deferred result (revenue minus commissions) – durables	-3,267,444	-3,820,779	-2,912,650	3,137,077	1,701,293	-804,499
costs of potential and completed acquisitions (M&A) and review of strategic options	-9,613	0	0	0	0	0
Adjusted EBITDA	**30,509,397**	**27,045,217**	**22,080,010**	**18,520,313**	**18,875,641**	**21,430,197**

The Group closed the first half of 2026 with a net profit of PLN 28.2 million, compared to a net profit of PLN 47.4 million in the corresponding period of 2025. As in the case of Adjusted EBITDA, the decrease was caused by higher marketing expenditure, which increased from PLN 28.3 million in the first half of 2025 to PLN 58.3 million in the first half of 2026.

COMMENTARY TO THE CONSOLIDATED STATEMENT OF FINANCIAL SITUATION

There were no significant changes in non-current assets between 30 June 2026 and 31 December 2025. In the case of current assets, the Group recorded a decrease in their total amount (-28%), driven by a decrease in cash and cash equivalents of PLN 47.2 million. This decrease was, in turn, related to the dividend payment of PLN 63.7 million made in May 2026. The Group generates cash from operating activities on an ongoing basis, and a decrease in this item generally occurs only in the case of distribution of funds to shareholders.

When discussing the structure of liabilities and equity, in the first half of 2026 there was a significant decrease in equity of PLN 29.8 million, related to the dividend payment. The decrease in other current liabilities from PLN 20.6 million to only PLN 2.3 million was related to the payment of the final earn-out tranche to the former owners of Rortos, which took place in the second quarter of 2026.

Other balance sheet items fluctuated only slightly, with no unusual one-off events in the period under review.

The Group and the Parent Company maintain high financial liquidity, and all their liabilities are settled on time. The Group also does not record any significant issues with the collection of receivables.

COMMENTARY TO THE CONSOLIDATED CASH FLOW STATEMENT

The Group has a strong ability to generate cash. Operating cash flows generated in the first half of 2026 amounted to PLN 39.4 million, almost equal to Adjusted EBITDA for the same period. The Group is able to finance its operations on an ongoing basis and plan further investments.

In investing activities, the Parent Company paid the final earn-out for the 2025 results to the former owners of Rortos in the amount of PLN 18.0 million, compared to PLN 14.7 million in the corresponding period of the previous year. Investment expenditure was supplemented by investments in new assets – in 2026, out of the reported investment amount of PLN 3.0 million, PLN 2.6 million related to the production of new games.

Financing activities included the payment of a dividend in the amount of PLN 63.7 million and lease payments, including interest, related to the rented office.

3.

BUSINESS PROFILE

The Ten Square Games Group operates in the mobile games segment, covering both the free-to-play model and the paid subscription model. The Group's products are offered through the most important mobile platforms – primarily iOS and Android – as well as through web portals.

The Group's two largest titles, Fishing Clash and Hunting Clash, as well as most of the older games of the Parent Company, Ten Square Games S.A., operate in the free-to-play model, in which the game is downloaded free of charge and the main monetisation mechanism is voluntary purchases of virtual goods in games, i.e. microtransactions, known as in-app purchases (IAP).

Games developed by the Italian company Rortos S.r.l., a subsidiary of Ten Square Games S.A., are mostly based on the subscription model. This category includes Real Flight Simulator and Real Combat Simulator.

The Group also has titles monetised in a hybrid model, combining in-app purchases with a significant advertising component. In the case of these titles, advertising revenue accounts for approximately 25-35% of their total revenue. This category includes, among others, Wings of Heroes, developed jointly by Polish and Italian teams, as well as the Group's newest titles – Trophy Hunter and Medal Hunter.

An important element of the Group's business model is also the development of its own direct-to-consumer (DTC) sales platform. Through this platform, players make in-game purchases directly from the Group, bypassing external distribution platforms. The aim of this initiative is to reduce commission costs charged by the largest platforms offering purchases in mobile applications and to increase monetisation efficiency.

4.

KEY PRODUCTS

In 2026, the Group's key revenue-generating products included:

» Fishing Clash – a mobile fishing game in the F2P model;

» Hunting Clash – a mobile hunting game in the F2P model;

» Wings of Heroes – a mobile flight game in the F2P model;

» Real Flight Simulator – a mobile flight game in the subscription model;

» Trophy Hunter – a mobile shooter game in the F2P model.

In addition, in May 2026, Medal Hunter, a mobile shooter game in the F2P model, joined the Group's portfolio.

MOBILE GAME	FISHING CLASH
LAUNCH DATE	soft launch: 06.2016
	global launch: 10.2017

Mobile fishing game. Players can take part in competitive sport fishing in high-quality 3D graphics. Since its launch in October 2017, Fishing Clash has built the position of the leading mobile fishing game in the world. Fishing Clash is the Group's largest game. Ten Square Games cooperates with Major League Fishing, enabling players to experience real-time tournament excitement in the game.

MOBILE GAME	HUNTING CLASH
LAUNCH DATE	soft launch: 11.2019
	global launch: 08.2020

A product addressed to a broad audience of players, focused on collection and competition. The game features advanced 3D graphics and realistically animated animals. Players have the opportunity to become the world's best hunter by hunting many species of animals and collecting different types of weapons.

MOBILE GAME	WINGS OF HEROES
LAUNCH DATE	soft launch: 08.2023
	global launch: 10.2023

A flight game set during World War II, in which players have the opportunity to take part in real-time battles. Players use the most iconic aircraft of the era and discover locations inspired by real places where historical battles took place. Wings of Heroes players can experience real action by competing against one another.

MOBILE GAME	**REAL FLIGHT SIMULATOR**
LAUNCH DATE	soft launch: 01.2019
	global launch: 07.2019

Real Flight Simulator is an advanced mobile flight simulator that offers players a realistic flying experience. The game features a wide selection of aircraft, detailed airports, dynamic weather conditions, multiplayer mode, a Virtual Airlines system and interactive air traffic control (ATC), enabling real-time traffic management. RFS operates in a subscription model. Through weekly updates, the game provides players with continuous value, developing based on active community feedback collected through social media channels, Alpha Testers and dedicated surveys. Thanks to continuously developed features and a growing player community, Real Flight Simulator remains a key pillar of the Group's strategy in the flight simulator segment, and its further development is an important element of long-term expansion in this category.

MOBILE GAME	**TROPHY HUNTER**
LAUNCH DATE	soft launch: 07.2025
	global launch: 07.2025

Trophy Hunter is a dynamic skill based game set in the hunting world, combining realistic visuals with a competitive gameplay model. The core of the game is based on shooting precision, reflexes and quick decision-making in three-round duels. The title offers an extensive progression system and strong social elements. The product operates in the free-to-play model with in-app purchases and video ads.

MOBILE GAME	**MEDAL HUNTER**
LAUNCH DATE	soft launch: 05.2026
	global launch: 07.2026

Medal Hunter is a mobile PvP shooter set in a world of military action, combining fast-paced, skill-based competition with settings inspired by military history. The core of the game is based on shooting precision, reflexes, target selection and quick decision-making in encounters with successive waves of enemies. The title offers an operations-based progression system, arsenal development and an additional narrative layer in the form of artefacts and short stories linked to military events. The product operates in the free-to-play model with in-app purchases and video ads.

5.

BRIEF DESCRIPTION OF THE ISSUER'S SIGNIFICANT ACHIEVEMENTS AND FAILURES IN THE REPORTING PERIOD, TOGETHER WITH THE SPECIFICATION OF THE MOST IMPORTANT EVENTS RELATING TO THE ISSUER

In the second quarter of 2026, the TSG Group's bookings amounted to PLN 93.3 million and were 5.1% lower compared to the first quarter of 2026. The quarter-on-quarter decrease in bookings was related, among other factors, to a lower level of marketing expenditure, which in the second quarter of 2026 was reduced by 20.1% q/q to PLN 25.9 million. At the same time, the Group's bookings increased by 14.6% compared to the corresponding period of the previous year, marking another quarter of year-on-year growth in bookings. In the full first half of 2026, the Group's bookings amounted to PLN 191.7 million and were 11.5% higher compared to the first half of 2025.

The continued year-on-year growth in bookings, alongside a quarter-on-quarter decrease, reflects both the effects of the strategy being implemented and quarterly variability resulting from decisions regarding the level of marketing investment and the development stages of individual products. In the Management Board's opinion, these results confirm the validity of the strategic direction based on stabilising the performance of the Group's main products, developing new product lines and selectively scaling titles that confirm their potential in product and marketing data.

The lower level of marketing expenditure in the second quarter of 2026 supported an improvement in the Group's profitability. Adjusted EBITDA increased by 13.5% q/q to PLN 21.4 million. This result reflects the Group's ability to flexibly manage the level of investment in development and to balance the scale of growth with profitability. The Group focuses on scaling products in a way that provides a basis for expecting a significant return on marketing investment within a strictly defined time horizon.

One of the Group's most important achievements in the second quarter of 2026 was the finalisation of work preparing the Group's newest title, Medal Hunter, for its global launch, which took place after the end of the reporting period, on 30 July 2026. Medal Hunter is the second product in the shooter title line initiated by Trophy Hunter and one of the important milestones in the implementation of the TSG Group's new game development model. Preparing another game for global launch less than a year after the global release of Trophy Hunter demonstrates the Group's ability to develop further products in a shorter production cycle, with lower initial expenditure and based on the validation of strictly defined product parameters. At the same time, the final assessment of Medal Hunter's potential will depend on the game's performance after global launch, including player behaviour, monetisation parameters and the effectiveness of marketing activities.

Another important achievement of the Group was the transition of Fishing Trip, another product developed by the Group, to the next stage of market testing. The project was introduced to additional test markets: Germany, the United Kingdom, the United States, Brazil and Australia, and the fifth fishery was made available in the new version of the game. The early product parameters to date indicate potential for further development; however, decisions regarding the next stages of work, including soft launch and a potential increase in expenditure on further product development, will be made based on the verification of parameters at subsequent stages. Fishing Trip is another example of the implementation of the development model in which the Group works on a larger number of concepts, tests them relatively early and gradually increases resource allocation only if subsequent product and business assumptions are confirmed.

In the second quarter of 2026, the Group also continued activities aimed at improving the economics of its existing portfolio and diversifying monetisation sources. These activities included, among others, work on stabilising and improving the parameters of the main titles, development of the D2C platform, and preparation and implementation of ad placements in selected games. The objective of these activities is to make better use of the potential of active player communities and to develop additional monetisation channels. The positive effects of these initiatives were already visible in Fishing Clash, the Group's largest game. In the case of Hunting Clash, the impact of the activities carried out was not yet fully visible, as during the period under review the team was simultaneously working on improving the game's technical parameters, which are the foundation for effective scaling, monetisation and further development of the game. In the following quarters of 2026, the team's attention will focus to a greater extent on further improving monetisation of the title. A description of the most important activities in each product is presented below in the section dedicated to each game.

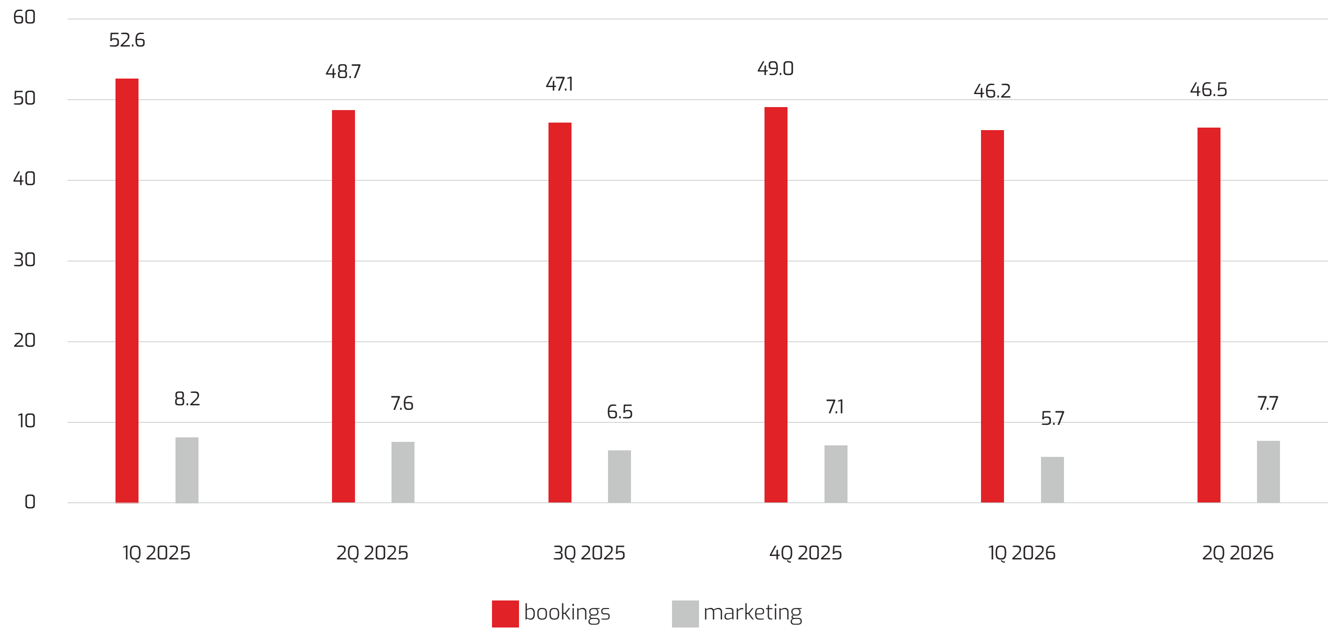
One of the key challenges specific to the Group in the period under review was managing an increasingly diversified product portfolio, comprising mature large-scale titles, growth products requiring further work on parameters and monetisation, projects at earlier stages of market validation, as well as projects for which active marketing support had been discontinued in the past (Evergreen). Each of these product groups requires a different approach to development, marketing and resource allocation. As a result, an important task for the Group remains selecting the appropriate scaling approach for individual titles – from stabilising and improving the economics of existing games, through selectively increasing marketing expenditure on products with confirmed potential, to gradually limiting investment in projects that require further work on key parameters, or in titles that will no longer be actively developed.

A significant challenge also remains further scaling products while maintaining appropriate marketing investment efficiency. The Group is prepared to support products with marketing expenditure at a scale appropriate to their stage of development, provided that product and marketing data indicate the possibility of achieving the expected return on investment within a defined time horizon. In the free-to-play model, the return on user acquisition expenditure does not occur in the month in which marketing costs are incurred. The effectiveness of such investments is assessed over time, based on the behaviour and monetisation of successive user cohorts. The point at which bookings generated by users acquired through marketing activities begin to exceed the costs of acquiring them depends on the scale and quality of those cohorts, player retention, the product's monetisation parameters and the cost of user acquisition. Accordingly, decisions to increase marketing expenditure are made selectively and based on ongoing data analysis. This approach allows the Group to limit the risk of inefficient capital allocation and to focus resources on projects which, in the Group's opinion, have the greatest potential to support its long-term growth.

QUARTERLY ANALYSIS OF BOOKINGS AND MARKETING COSTS OF KEY GAMES

FISHING CLASH

data in PLN million



In the first half and the second quarter of 2026, the activities of the Fishing Clash team focused on continuing strategic initiatives aimed at improving the game's parameters, reducing player churn, stabilising bookings – including through the introduction of ads – and creating conditions for more efficient scaling of marketing expenditure.

In the first half of 2026, bookings in Fishing Clash amounted to PLN 92.7 million and were lower compared to the corresponding period of 2025, when they amounted to PLN 101.3 million. In the second quarter of 2026, bookings in the game amounted to PLN 46.5 million and were lower than in the corresponding period of 2025, while at the same time increasing compared to the first quarter of 2026.

The stabilisation of bookings and their gradual quarter-on-quarter improvement were supported by consistent work aimed at increasing the effectiveness of product and LiveOps activities. The improvement in selected game parameters allowed marketing expenditure to be increased compared to both the first quarter of 2026 and the second quarter of 2025.

In the period under review, three new fisheries were added to the game. Returning to the standard rhythm of delivering new fisheries was important from a monetisation perspective, as new content remains one of the key elements activating players and supporting bookings in Fishing Clash. At the same time, alternative variants of selected fisheries were developed, including changes in weather conditions and time of day. This solution is intended to increase the diversity of the player experience and strengthen the attractiveness of subsequent content releases.

The team also continued work in the area of LiveOps, focusing on better tailoring events to different audience segments and increasing the efficiency of their delivery. The automation of recurring events and LiveOps processes was continued, with the aim of reducing the team's operational workload and supporting more regular delivery of events to players. These activities were intended to increase user activity, provide players with further reasons to return to the game regularly, and support monetisation through continuous player activation.

An important area of work in the second quarter was monetisation initiatives. The availability of video ads in the game was expanded through the addition of new ad placements. These solutions remain an optional form of monetisation, targeted primarily at non-paying players and users with low and medium spending levels, and diversify the game's monetisation sources for the future. In the second quarter, the visual layer of the Fishing Pass and selected offers was also improved in order to make them clearer for players and support the effectiveness of sales activities.

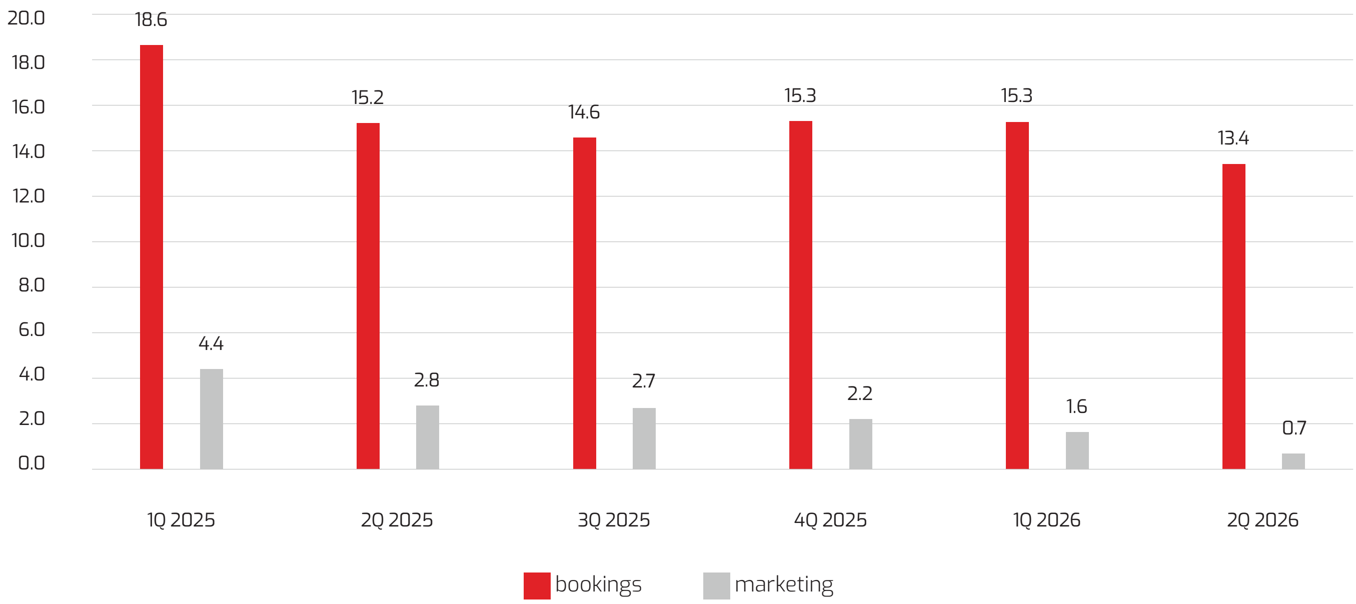
At the same time, the team continued work aimed at improving the usability and quality of key gameplay elements. Improvements were introduced to the Bingo and Fishing Quest events, enhancing their clarity and accessibility for players. The workshop concept was also expanded, enabling players to exchange selected resources, including boosts, lures and skill tokens, for other resources important from a progression perspective. This feature was well received by players and supported more effective resource management in the game. These activities were aimed at improving the player experience, enabling smoother progression and increasing engagement in key areas of gameplay.

A/B tests and the optimisation of solutions before their broader implementation remained an important part of product work. In the second quarter of 2026, an A/B test of a new fishing mini-game was carried out, providing the first business data for further iteration of the solution. A/B tests of rewarded video ads were also continued, with their reach expanded to additional player segments in order to further validate the impact of ads on monetisation, retention and user experience. Solutions targeted at players at an early stage of the game were also tested, supporting clearer progression goals and significantly improving new user retention, which enabled more intensive marketing scaling of the game.

Bookings in Fishing Clash in July 2026 amounted to PLN 15.8 million, representing an increase compared to June 2026, when they amounted to PLN 15.4 million.

HUNTING CLASH

data in PLN million



In the second quarter and in the full first half of 2026, bookings in Hunting Clash were lower compared to the corresponding periods of 2025. Their level was affected, among other factors, by significantly lower marketing support for the product in 2026, which limited user acquisition.

For this reason, the team's priority was to improve the quality and efficiency of selected product elements. Work focused on developing additional monetisation sources, testing changes in the new player experience, further optimisation of selected gameplay elements and improving the game's technical parameters to the best levels in its history, which is necessary for introducing further development initiatives in the product.

During this period, product initiatives were focused on improving monetisation, retention and engagement of existing players. Two new locations were added to the game, with the lower number resulting from the game's release cycle and the timing of the previous location being made available at the end of the first quarter. The new content supported player activity; however, with lower expenditure on new user acquisition, its impact on the level of bookings was limited.

An important area of work involved initiatives aimed at increasing monetisation of the existing player base and developing additional revenue sources. In Hunting Clash, tests of rewarded video ads were launched on a selected group of new and existing players, with the team monitoring their impact on revenue, retention and user experience. The team also developed solutions supporting the redirection of players to in-game purchases made directly through the direct-to-consumer sales platform created by the Company. A visible button leading to the online store was introduced in the Central Hub, initially for users with the highest spending levels in the game. The change delivered good results in terms of link visibility and the number of store visits, and therefore testing of this solution was expanded to a broader audience.

In the area of retention and progression, the team focused primarily on the new player experience, which is important for the long-term value of users and the effectiveness of future marketing activities. Following positive A/B test results, changes were introduced to new user progression, including the completion of daily and weekly tasks and the achievement of defined goals. At the same time, tests of deeper changes to early progression were continued, under which new players gain their first levels by participating in events. These activities are intended to reduce player churn at the initial stage of gameplay and strengthen the foundations for more effective scaling of the game in the future.

The team also worked on solutions targeted at more engaged users. In the second quarter of 2026, Weapon Wildcards were introduced – a feature tested on a selected group of players and addressing needs that were particularly visible among VIP players. The solution is intended to increase equipment-related flexibility, support engagement among the most active players and improve the use of existing resources in the game.

At the same time, the development of Club Lodge was launched – the first major feature prepared for Hunting Clash in 2026 and the largest social update planned for the game during this period. The feature is intended to combine the progression and reward structure familiar to players from the standard Lodge with the combined results of club members in Club Wars. Its objective is to increase motivation, cooperation and long-term player engagement within clubs. It will be accompanied by improvements to the battle pass, aimed at improving monetisation indicators. The feature was planned for implementation at the beginning of the third quarter of 2026, and therefore its impact on the game's parameters was not yet visible in the results for the second quarter.

Bookings in Hunting Clash in July 2026 amounted to PLN 4.5 million and were higher than in June 2026, which was the month with the lowest level of bookings in 2026 at PLN 4.2 million.

WINGS OF HEROES

data in PLN million

In the first half of 2026, bookings in Wings of Heroes were higher compared to the corresponding period of 2025. Their decrease in the second quarter of 2026 compared to the record first quarter of 2026 was driven mainly by the reduction of marketing expenditure during that period, due among other factors to work aimed at improving the game's early-stage parameters.

The second quarter of 2026 was one of the most intensive development periods for Wings of Heroes. The team's activities were not limited to the regular delivery of new content, but included changes to the game's key foundations: progression, economy, aircraft value, event structure, gameplay formats and mechanics supporting monetisation.

Due to the nature of the game as a system of interconnected mechanics, these modifications affected one another and therefore required multiple game elements to be adjusted in parallel. The primary objective of these activities was to organise the product economy, deepen the player experience and create a better basis for assessing the potential scale of further growth of Wings of Heroes.

An important element of the work carried out in the second quarter of 2026 was the introduction of an aircraft rarity system and a broad rebalance of the game economy. The rarity system organises the value, power and availability of aircraft within individual levels and affects how they are unlocked and upgraded. At the same time, the team rebalanced selected elements of the game economy, including rewards, the shop, leagues and LiveOps. These changes are intended to create a clearer progression structure and a foundation for further development of monetisation and long-term user value.

The second important area of work was expanding the Wings of Heroes experience beyond the standard battle loop. To this end, the team developed campaigns – a new gameplay layer based on missions, historical context and scenario-based progression. Campaigns strengthen the goal structure for players and create a new LiveOps tool for building events around specific rewards, aircraft types and time-limited activities.

In the second quarter, the team also began testing a development direction that expands the historical character of Wings of Heroes to date. An important example was the preparation of the Future Conflict mode, based on modern jet aircraft. This solution is intended to verify players' interest in modern aircraft and assess the impact of this type of time-limited experience on user behaviour. At this stage, modern jet aircraft were introduced in a controlled campaign environment, allowing the team to analyse their impact on the game's parameters without permanently changing the product's core character.

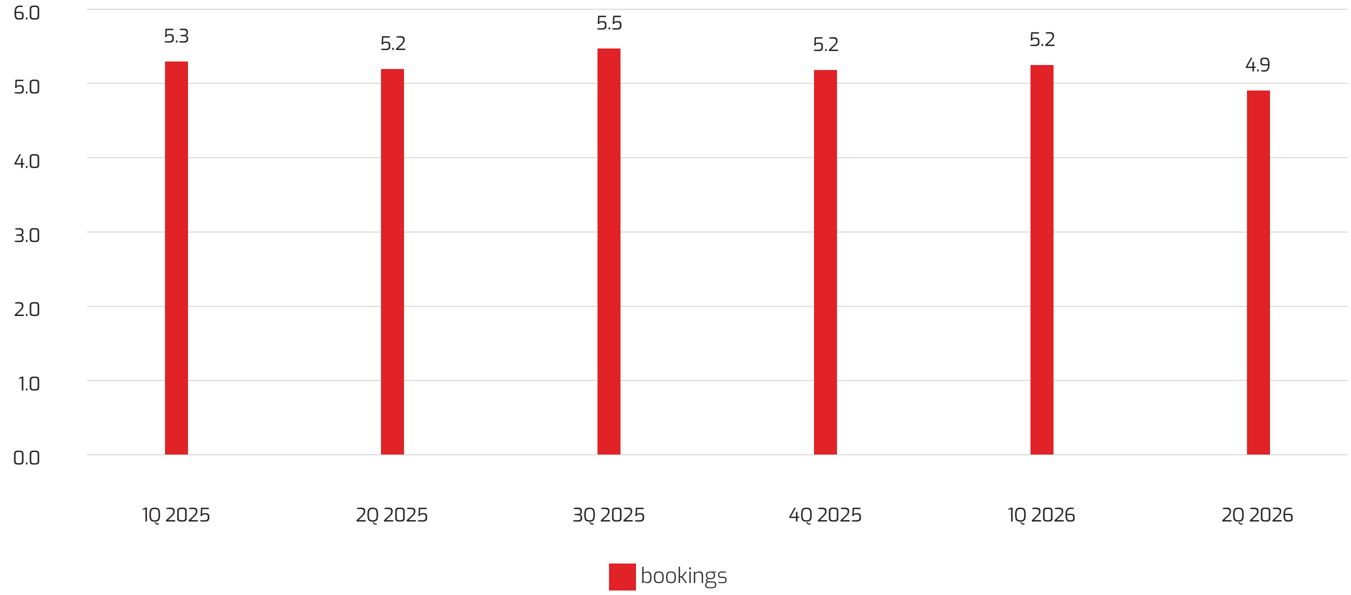
At the same time, other gameplay formats and systems increasing the diversity of the player experience were developed. The objective of these activities was to test new ways of building engagement and to better adapt the game to different play styles. The team also worked on improvements to selected progression systems and the interface.

The activities carried out in Wings of Heroes in the second quarter of 2026 broaden the product foundation, organise the economy, deepen progression and open new directions for gameplay development. The full impact of some of these initiatives – in particular new modes, changes to progression systems, Future Conflict and further use of campaigns – will only become visible in subsequent periods. Potential decisions regarding an increase in marketing expenditure on the game will depend on further analysis of data on player behaviour, monetisation parameters and user acquisition efficiency following the implemented changes.

In July 2026, bookings in Wings of Heroes amounted to PLN 3.8 million, representing an increase compared to June 2026, when they amounted to PLN 3.1 million, and the game's second-highest monthly result in 2026.

REAL FLIGHT SIMULATOR

data in PLN million



In the second quarter and in the first half of 2026, bookings in Real Flight Simulator were slightly lower compared to the corresponding periods of 2025. Their level was affected by a more demanding competitive environment in the mobile flight simulator segment. One competing product introduced a significant update that was attractive to some players. In addition, a new title entered the market, further increasing pressure to maintain user engagement.

Real Flight Simulator is developed in a subscription model and without significant marketing support, which means that the game's performance depends primarily on maintaining the attractiveness of the product, the quality of the user experience and the regular delivery of updates that increase the game's value for existing and returning players.

In this environment, the Real Flight Simulator team's activities focused on strengthening the key elements that determine the value of a subscription product: simulation realism, immersion, the quality of aviation content, platform stability and continuity of the user experience. In the second quarter, the team continued to improve the quality of the flight experience by developing cockpits, onboard systems, the visual layer and the audio layer. These activities were aimed at strengthening immersion and maintaining the product's competitiveness in a segment where realism and the quality of flight simulation are among the key factors influencing users' decisions to continue their subscriptions.

The team also worked on improving flight stability and continuity, in particular in multiplayer mode. The features being developed were intended to reduce the negative impact of disconnections or errors on the player experience, which is important from the perspective of maintaining user satisfaction and limiting factors that could lead to churn.

At the same time, R&D work continued on further improvements to the environment and visual layer, which are intended to support future product updates.

Bookings in Real Flight Simulator in July 2026 amounted to PLN 1.7 million.

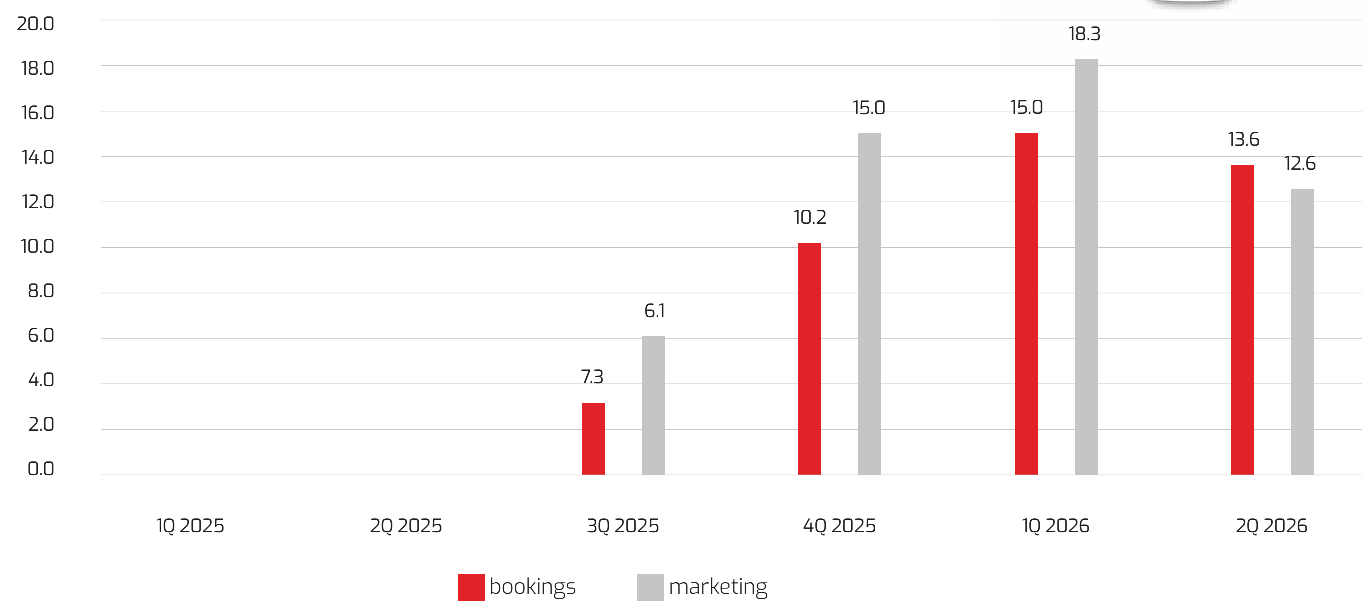
REAL COMBAT SIMULATOR

At the same time, in the mobile flight simulator segment, the Group is developing Real Combat Simulator, a new Rortos title addressed to a specialised audience. After the launch, the team analysed user feedback and product data, which indicated the need to improve product accessibility, the onboarding process and the value offered to players before they decide to subscribe. In addition, the still limited player base continued to affect the multiplayer experience.

In response to these findings, the team expanded access to selected elements of the game for users without a subscription and is working on clearer instructional videos and the player journey at the beginning of their experience with the game. After assessing the effectiveness of these improvements based on engagement and retention data, the Group may consider controlled initiatives to temporarily provide broader access to the game in order to verify whether the project can reach a wider audience and build a sustainable player community.

TROPHY HUNTER

data in PLN million



In the first half of 2026, Trophy Hunter remained one of the key titles supporting the growth and diversification of the Group's portfolio. The lower level of bookings in the second quarter compared to the first quarter of 2026 was primarily related to the reduction of marketing expenditure following a period of intensive scaling of the game.

At the same time, the second quarter of 2026 was the first quarter in which Trophy Hunter's bookings were higher than the current marketing expenditure incurred for this title in the same period.

From a product development perspective, the second quarter of 2026 was a transition period between the intensive marketing scaling phase and the next stage of Trophy Hunter's development. The team's priority was to prepare the game for further marketing scaling by increasing the depth and maturity of the product, particularly in the area of monetisation. The most important project in this area was the development and testing of new, more complex monetisation systems, designed to increase the number of monetisation points in the game, better tailor offers to the behaviour of different player segments and support growth in long-term user value. Their implementation was planned for the third quarter of 2026. Monetisation-supporting initiatives included tests of offer presentation, covering, among other elements, their frequency, order and prioritisation, as well as tests of ad monetisation from the early stages of progression.

The second important area of work was improving the player experience at the early stages of the game. The team continued testing matchmaking algorithms aimed at better adapting the difficulty level to users' skills. These activities are intended to reduce the most common reasons for churn in the first arenas, improve the quality of the first sessions and support growth in long-term user value.

In the second quarter of 2026, the team also continued to deliver content regularly, including further arenas and night hunts. These activities supported player activity and developed the night hunting feature, which had a positive impact on engagement in previous periods.

The social layer also remained an important development direction. In the second quarter, the club experience was improved, including by better explaining to players the benefits of joining a club, which translated into increased club participation. At the same time, work continued on Club Lodge – a major social feature planned for implementation in the third quarter of 2026. Its objective is to increase player engagement in clubs, strengthen shared progression and create additional reasons to return to the game regularly. As the feature was not yet available in the second quarter, its impact on the product's parameters will be possible to assess in subsequent periods.

The team also carried out technical work, including updating the game to Unity 6. The objective of these activities was to improve loading times, performance across different devices and visual quality. From the perspective of Trophy Hunter's further development, these activities strengthen the product's technical foundation and support its future scalability.

In the second quarter of 2026, the Trophy Hunter Challenge influencer campaign was also carried out in the U.S. market, in cooperation with creators associated with the hunting, shooting and outdoor communities. The scale of the campaign was limited, but its results were promising enough for the Group to consider repeating this format. This initiative is part of the search for effective user acquisition channels that are better aligned with the game's theme and target audience.

Bookings in Trophy Hunter in July 2026 amounted to PLN 5.1 million and were significantly higher than in June 2026, when they amounted to PLN 4.1 million. This was also the second-highest monthly level of bookings in the game's history to date.

MEDAL HUNTER

The global launch of Medal Hunter took place after the end of the reporting period, on 30 July 2026. In the second quarter of 2026, the team's activities focused on further product development, testing in selected markets and preparing the game for global release. Before the global launch, marketing expenditure on Medal Hunter in the second quarter of 2026 amounted to PLN 1.1 million. The main marketing activities were planned to start from August 2026.

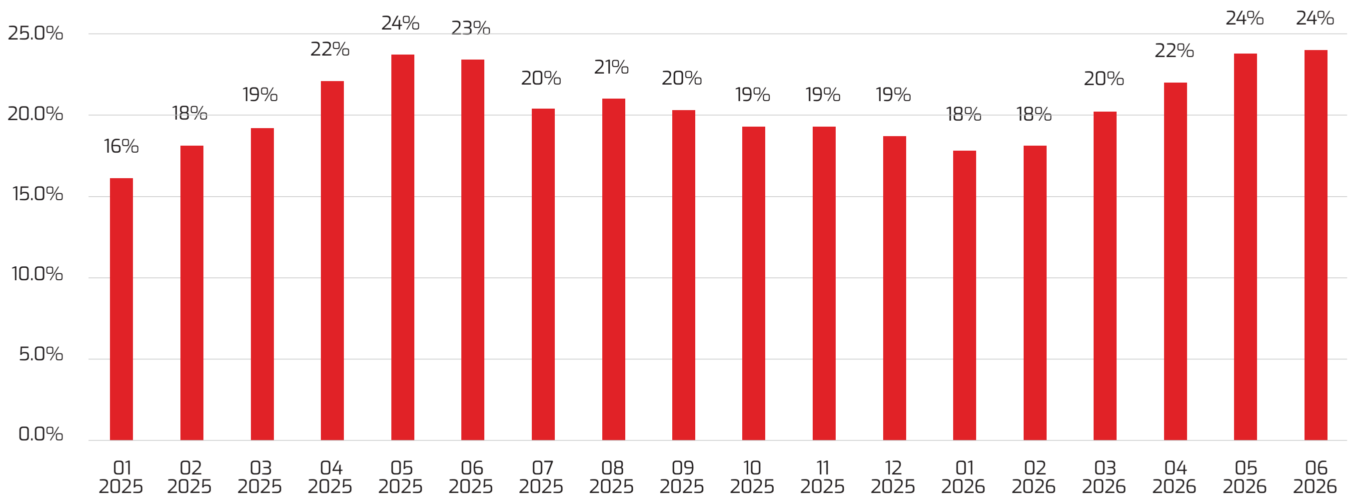
Medal Hunter is a mobile military-themed PvP shooter belonging to the mobile action games segment. The game offers operations inspired by military locations and events, a progression system, arsenal development, as well as competitive and social mechanics. The product operates in the free-to-play model with in-app purchases and video ads.

Medal Hunter is of significant strategic importance to the TSG Group. It is the second product in the title line initiated by Trophy Hunter and the Group's first significant step into the segment of mobile military-themed PvP action games. Preparing the game for global launch less than a year after the global release of Trophy Hunter demonstrates the possibility of using shared experience, tools and production solutions to create subsequent titles with a distinct thematic profile and targeted at new audience groups.

The assessment of Medal Hunter's potential will depend on the game's performance after global launch, including engagement and monetisation parameters as well as the effectiveness of marketing activities. The team is currently focused on the dynamic development of the game by adding new content and further features. At the same time, the coming months will be devoted to observing the game's performance, including the level of monetisation and player engagement, before introducing significant product changes. In subsequent periods, the Group will analyse whether the product's parameters justify further development of the game and a potential increase in marketing expenditure on user acquisition.

D2C PLATFORM

% share of D2C platform in Group's bookings



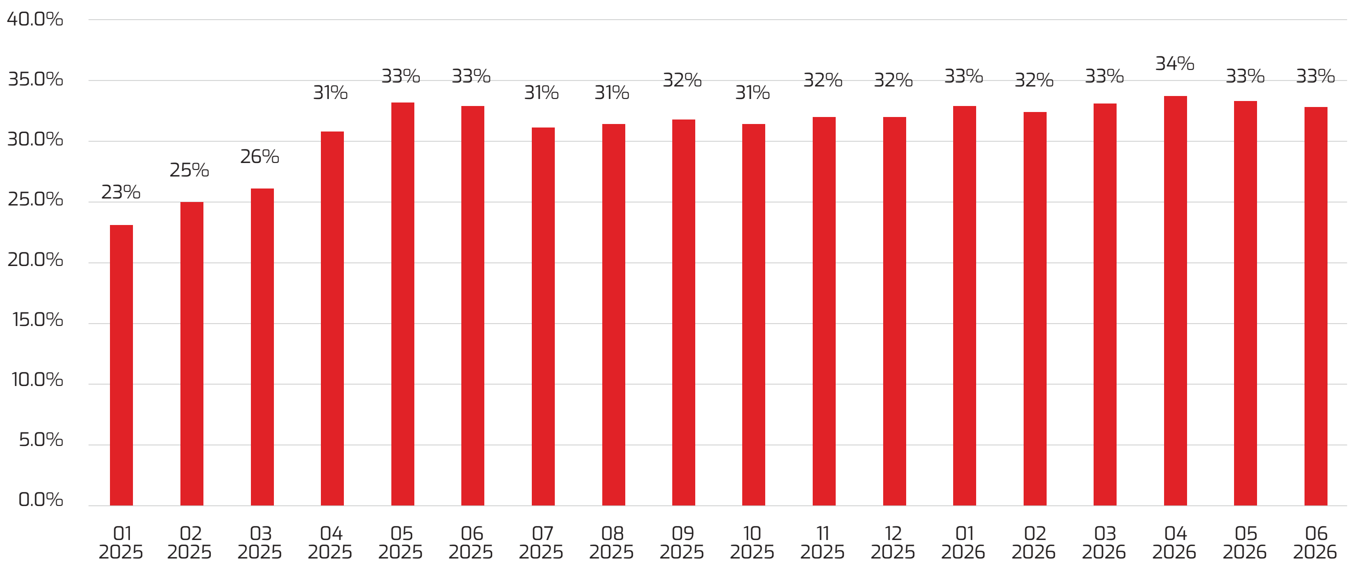
The D2C platform is an important element of the TSG Group's direct sales model. It includes both TSG Store – a store created and developed by the Group, available in Fishing Clash and Hunting Clash – and alternative payment methods that enable players to make purchases directly from Ten Square Games, outside the standard payment systems of distribution platforms. Alternative payment methods are available in the Group's main titles as well as in Wings of Heroes, Trophy Hunter and Medal Hunter. Currently, they are available only to players in the United States.

In the first half of 2026, the Group continued to develop its D2C platform. During this period, the option to make purchases using alternative payment methods was introduced in Wings of Heroes and Trophy Hunter. This solution enables the Group to develop direct sales in its newer titles without the need to build a full D2C store from scratch.

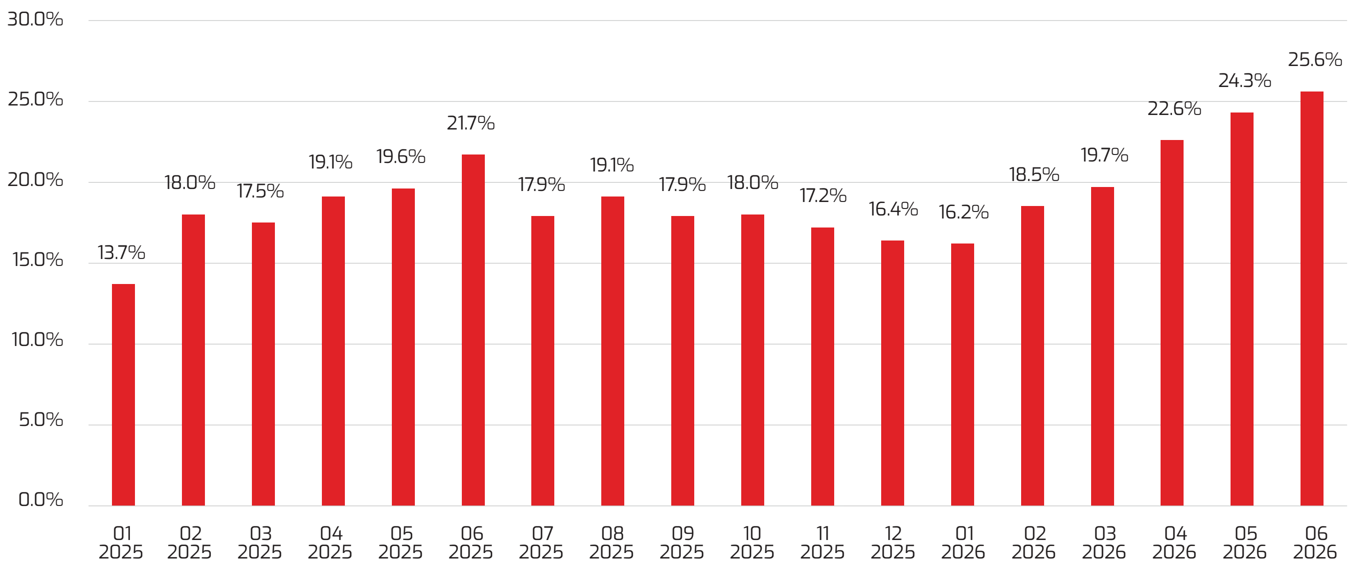
The expansion of the D2C platform to additional products and the introduction of in-game purchases using alternative payment methods translated into an increase in the share of direct sales in the Group's bookings. In June 2026, the D2C platform accounted for 24% of the Group's bookings. The growing importance of D2C was particularly visible in newer titles, where direct sales solutions were implemented in 2026. In June 2026, D2C accounted for 11.1% of Trophy Hunter bookings and 21.2% of Wings of Heroes bookings.

The Group plans to continue developing this sales channel. Alternative payment methods were made available in Medal Hunter at the moment of the game's global launch. In the Group's opinion, the development of the D2C platform is of strategic importance, as it enables the Group to build a more flexible sales model, reduce dependence on external distribution platforms and improve transaction economics across further products in the portfolio.

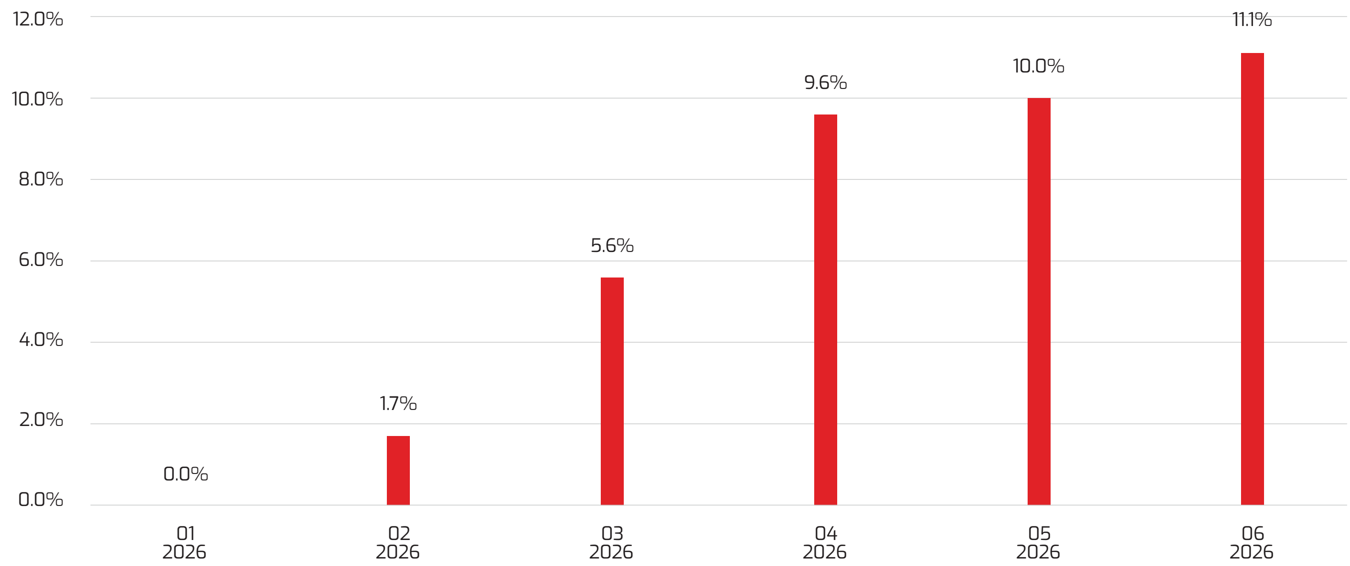
% share of D2C platform in Fishing Clash bookings



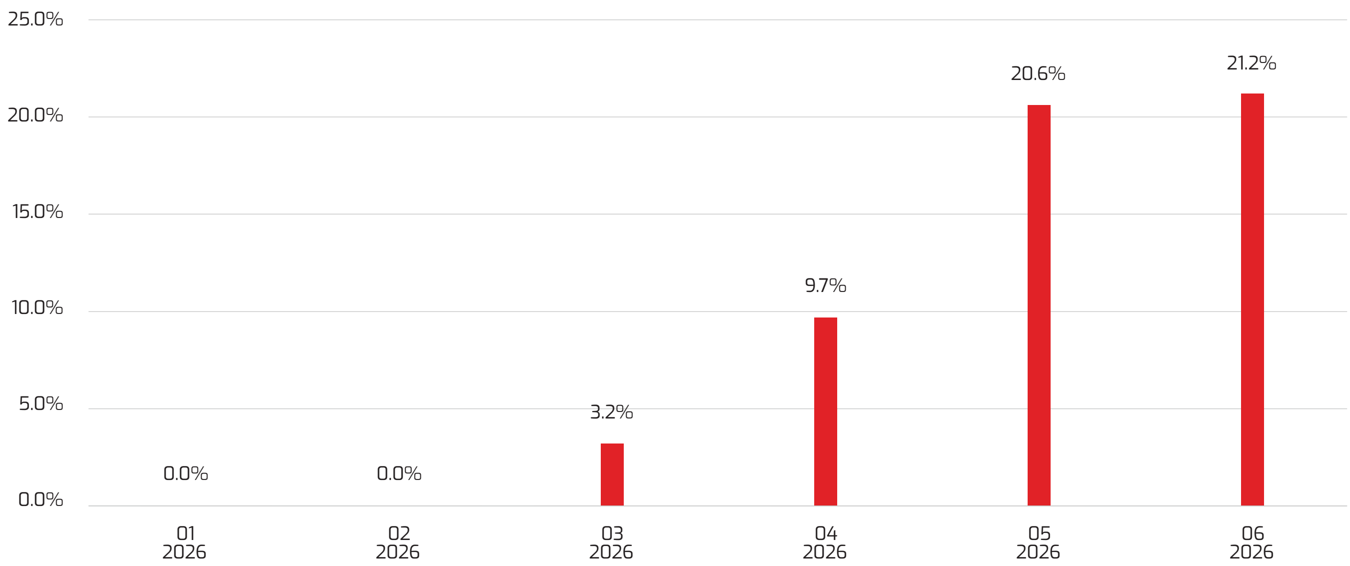
% share of D2C platform in Hunting Clash bookings



% share of D2C platform in Trophy Hunter bookings



% share of D2C platform in Wings of Heroes bookings



6.

KPIS OF GAMES

MAU [1] (average in the period)	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026
Fishing Clash	2,396,660	2,586,680	2,344,912	2,140,871	2,076,856	1,772,017
Hunting Clash	1,664,310	1,748,071	1,559,301	1,502,752	1,046,222	985,866
Wings of Heroes	279,340	282,915	444,964	444,485	501,142	445,778
Trophy Hunter			502,715	1,013,410	1,240,275	817,020
Airline Commander	2,597,545	2,006,224	2,261,362	1,493,568	1,620,225	1,172,636
Real Flight Simulator	539,062	761,846	604,002	737,360	567,431	579,606
Evergreen [2]	609,349	454,196	395,110	399,744	325,173	263,049

(1) MAU – average number of monthly active players
(2) Evergreen – Let's Fish and Wild Hunt

7.

IDENTIFICATION OF FACTORS AND EVENTS, INCLUDING THOSE OF AN UNTYPICAL NATURE, HAVING A SIGNIFICANT IMPACT ON THE ABBREVIATED FINANCIAL STATEMENTS

No other significant events, not described above, occurred that could have affected the financial data presented in the report for the period ended 30 June 2026.

8.

MAJOR ACHIEVEMENTS IN RESEARCH AND DEVELOPMENT

In the first half of 2026, the Group's key activities in the area of research and development focused on the further development of the technological and analytical foundation supporting the creation, testing and scaling of products. An important element of these activities was strengthening the game development model based on a faster development process, the use of shared systems and production experience, early validation of product parameters, extensive use of A/B tests, and decisions on further development and scaling of projects based on data.

The implementation of this model resulted in work on subsequent projects developed within the Group's new product lines. Medal Hunter, the second product in the line initiated by Trophy Hunter, was prepared for global launch less than a year after the global release of Trophy Hunter. This project demonstrates the possibility of using shared experience, tools and production solutions to create further titles with a distinct thematic profile and targeted at new audience groups. At the same time, the Group developed Fishing Trip, which may become the foundation for another product line in a segment in which the Group has many years of experience.

In the existing portfolio, Trophy Hunter was an important area of development work. In the first half of 2026, the team focused on further product development, in particular on preparing three monetisation models to be introduced into the game in subsequent periods. These efforts are important for the title's further development, as their objective is to strengthen the product's monetisation foundations and create better conditions for potential further scaling of the game, depending on KPI results and user acquisition efficiency.

Intensive research and development work was also carried out in Wings of Heroes. In the first half of 2026, the team implemented broad changes covering both the product foundations and other important areas of the game, including progression, economy, event structure, gameplay formats, new modes and mechanics supporting monetisation. Due to the nature of the game as a system of interconnected mechanics, these changes were carried out in parallel and required multiple product elements to be adjusted at the same time. The objective of the work was to organise and deepen the game's structure and create a better basis for assessing its further growth potential.

At the same time, the Group carried out development work aimed at improving the performance of its main titles. These activities included efforts to stabilise and improve product parameters, develop additional forms of monetisation and make better use of the potential of active player communities. One area of this work was the preparation and implementation of ad placements in selected products, which is intended to support the diversification of monetisation sources.

In 2026, the importance of advertising as a source of the Group's revenue increased significantly. This has been accompanied by the strengthening of the team's competencies in in-game ad monetisation and the development of related tools and analytics.

In the first half of 2026, the Group also developed a tool called DZIK – an internal analytics tool using artificial intelligence, designed to facilitate access to product data and accelerate the process of interpreting it. The solution makes it possible to ask questions in natural language and supports product teams in obtaining information from databases, generating hypotheses and identifying areas requiring further analysis. The project is part of the Group's activities aimed at increasing the efficiency of internal processes and supporting data-driven product decisions.

During this period, the Group also worked on the further development of the engine responsible for individually matching replays used in duels in Trophy Hunter and Medal Hunter. The objective of the project is to better adapt the course of duels to individual players, in order to improve their game experience while supporting revenue growth. Work on this solution will continue in the second half of 2026.

In the Management Board's opinion, the research and development projects carried out in the first half of 2026 were consistent with the Group's adopted strategy. Their objective was both to strengthen the existing portfolio and to develop new products and product lines that may increase the diversification of bookings sources in the future. Decisions regarding the further development, scaling and commercialisation of individual projects will be made based on test results, KPI analysis and the assessment of potential return on investment within a defined time horizon.

9.

EXPECTED DEVELOPMENT OF THE ENTITY AND THE GROUP

In the following quarters of 2026, the Group will consistently pursue its development strategy based on stabilising and improving the efficiency of the existing portfolio, developing new product lines and selectively scaling projects that demonstrate growth potential based on product and marketing data analysis.

The Group's main titles remain the pillars of its business – they finance the Group's ongoing operations and enable investment in the development of new products. For this reason, maintaining their scale, improving product and monetisation parameters, and developing additional revenue sources remain important areas of focus. At the same time, the Group sees opportunities for dynamic growth primarily in new titles developed under its new development model and in the creation of product lines. This model assumes a shorter game development cycle, the use of shared experience and tools, validation of product parameters at each stage of product development, and decisions on further development and scaling only when a product achieves clearly defined benchmarks.

The pace of product development, the scope of implemented changes and the scale of potential marketing expenditure depend on test results, subsequent iterations, product parameters and the assessment of potential return on investment within a defined time horizon.

One of the most important areas of the Group's development in the coming quarters will be the assessment of the growth potential of the Group's newest production – Medal Hunter – following the game's global launch. The Group will analyse the scale of market interest in the product globally, player engagement and retention parameters, monetisation potential and the effectiveness of potential marketing activities. The results of this verification will be important for decisions regarding the level of further product and marketing support for the game.

At the same time, the Group will continue work on Fishing Trip, a project that may become the foundation for another product line. In the coming quarters, it will be key for the product to go through further stages of market testing, including soft launch, followed by verification of the attractiveness of the game's parameters and the efficiency of user acquisition. Only the assessment of these data will make it possible to determine whether the project should move to the global launch phase and at what scale the Group should commit further resources to its development.

The development of new projects also remains an important element of the strategy. The Group is working on further prototypes that may support its growth strategy and the diversification of bookings sources in the future. These projects will be developed in line with the model based on early validation of parameters, gradual increase in resource commitment and data-driven decisions on subsequent development stages.

In the following quarters of 2026, it will also be important to define the further development plan for Wings of Heroes. Following intensive work carried out in the first half of 2026, which included broad changes in key areas of the game, the Group will analyse whether the implemented solutions can create a basis for this title to achieve greater scale. Of particular importance will be the assessment of whether the effects of the work carried out in the second quarter of 2026 translate into a sustainable improvement in the product's parameters, monetisation and marketing efficiency to an extent that would enable more intensive scaling of the game in the longer term. The results of this analysis will form the basis for decisions regarding further development, the shape of the product and the level of potential marketing expenditure.

For Trophy Hunter, the implementation of advanced monetisation systems will be key to the game's further development. This work is important from the perspective of further scaling the project, as its effectiveness will be one of the key factors influencing the assessment of the game's further growth potential. In subsequent periods, the Group will analyse the impact of the new monetisation solutions on player behaviour, the level of bookings and the ability to effectively increase marketing expenditure.

In the Group's main titles, activities aimed at stabilising results, improving product parameters and developing additional monetisation sources will continue. In the case of Hunting Clash, following a period of intensive work on improving the game's technical parameters, it will be key to verify whether the title can continue to be developed and scaled effectively. Depending on the outcome of this verification, decisions will be made regarding the game's further development, product shape, team size and the level of potential marketing support.

At the same time, the Group will organise the portfolio of older titles and adjust the level of resource commitment to their current potential. In August 2026, the last new location was added to Wild Hunt, one of the games in the Evergreen portfolio. The game is moving into low-maintenance mode, which means that no further development of new locations is planned. A cross-promotion campaign was also carried out in the product, directing players to other Group titles. This is part of the activities aimed at making better use of existing player communities and allocating resources to products with growth potential.

The current allocation of resources between mature products, growth titles and new projects at earlier stages of validation is becoming an increasingly important element of managing the Group's development.

The D2C platform, comprising TSG Store and alternative payment methods in the United States, will also remain an important development direction. The Group intends to increase the scale of sales generated through this channel, in particular by leveraging alternative payment methods in the U.S. market.

10.

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD THAT ARE NOT REFLECTED IN THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

No significant events occurred after the balance sheet date that could have affected the financial data presented in the report for the period ended 30 June 2026.

11.

INDICATION OF FACTORS WHICH, IN THE ISSUER'S OPINION, WILL AFFECT ITS RESULTS OVER AT LEAST THE NEXT QUARTER, AND DESCRIPTION OF THE KEY THREATS AND RISKS RELATED TO THE REMAINING MONTHS OF THE FINANCIAL YEAR

Over the coming quarters of 2026, the Group's revenue side will continue to be driven primarily by its main titles, in particular Fishing Clash and Hunting Clash. These games remain the pillars of the Group's business and have the greatest impact on its results, financing both ongoing operations and the development of new projects. For this reason, it will be important to maintain at least a stable level of their performance, further improve product and technical parameters, develop additional monetisation sources, including ads, and ensure the effectiveness of activities carried out in these titles.

The second key factor affecting the Group's future results will be the effectiveness of implementing new monetisation systems in Trophy Hunter. This work is important for the further scaling of the project, as monetisation efficiency will be one of the key conditions justifying a potential increase in marketing expenditure.

One of the most important factors affecting the Group's results in the coming quarters will also be Medal Hunter's performance following the game's global launch, which took place on 30 July 2026. This project is the Group's first significant step into the segment of mobile military-themed PvP action games, and its further development will depend on the scale of market interest in the product, player retention and engagement parameters, monetisation potential, and the effectiveness of marketing activities. If the game's parameters indicate the possibility of achieving the expected return on investment within a defined time horizon, the Group may use the initial period after global launch to provide stronger marketing support for the title and invest in user acquisition. The scale of this support may have a significant impact on the Group's results, as in the initial phase of product development marketing expenditure may significantly exceed the level of bookings generated by the title, which may reduce the Group's financial results in the short term. In the longer term, effective marketing scaling should support growth in the scale of the Group's business. A significant risk factor remains the fact that, with this project, the Group is entering a competitive environment that is new to it and differs from the segments in which it has developed its largest products to date. There is no guarantee that the game will achieve results that justify further significant investment in its development and marketing scaling.

The effects of the changes introduced in Wings of Heroes in the first half of 2026 may also have a significant impact on the Group's future results. In subsequent periods, the Group will analyse whether these changes translate into a sustainable improvement in the product's parameters, monetisation and user acquisition efficiency. The results of this analysis will be important for decisions regarding the game's further development, a potential increase in the scale of marketing activities, and the assessment of whether Wings of Heroes can achieve a greater scale than before within the Group's portfolio.

In the short term, the level of marketing expenditure will also have a significant impact on the Group's results. In the free-to-play model, user acquisition expenditure directly affects the scale of new player cohorts and, consequently, the level of bookings and revenue in subsequent periods. The number of products in the Group's portfolio that are currently at, or may enter, the marketing scaling stage is now higher than in previous periods. As a result, the overall scale of the Group's marketing budget may need to be adjusted to the number of projects and their current parameters. In the short term, this may lead to an increase in costs and a reduction in the Group's financial result, particularly in the case of new titles, where user acquisition expenditure may precede the full emergence of monetisation effects. Proper management of the scale of marketing investment in both the main titles and new projects remains key. Decisions regarding the level of marketing support will be made selectively, based on product parameters, cohort quality, user acquisition efficiency and the expected payback period.

The development of the direct-to-consumer (D2C) sales platform may also affect the Group's results. The possibility of using alternative payment methods in the U.S. market supports the development of direct sales channels and may contribute to improving product economics by increasing the share of payments made outside traditional app stores and reducing transaction commission costs. At the same time, the further growth potential of D2C will depend, among other factors, on the effectiveness of developing stores and sales solutions for additional titles in the Group's portfolio. A significant limitation remains the fact that alternative payment methods can currently be used only in the U.S. market, which affects the scale of the potential effects of this solution. The pace of D2C development also remains dependent on the policies of the largest distribution platforms, player behaviour and the effectiveness of encouraging users to use this form of purchase.

The development of further projects, including Fishing Trip and other prototypes at earlier stages of validation, will also be an important factor affecting the Group's future results. The proper selection of subsequent ideas for the testing phase within the product lines being developed, as well as the effectiveness of early verification of their potential, will be of key importance. The further development of these projects will depend on the results of market tests. There is no guarantee that projects at early stages of development will progress to subsequent phases, including soft launch or global launch. If the test results for Fishing Trip or other projects do not confirm the assumed parameters or further development potential, the Group may decide to limit or discontinue work on a given project, which may require an impairment write-down of the costs incurred.

Significant market risks include strong competition for players' attention, time and spending, both from other mobile game developers and from entities offering alternative forms of digital entertainment. This risk is particularly important in the case of the newest game in the Group's portfolio – Medal Hunter – through which the Group is entering a new segment for it: mobile military-themed PvP action games. The effectiveness of reaching players in this segment, the efficiency of marketing activities and the product's positioning against competitors will be important for assessing the game's further potential.

The impact of increased competitor activity was clearly visible in the flight simulator segment in the first half of 2026 and directly affected the performance of Real Flight Simulator; it may continue to affect the results of this product in subsequent periods. Intensifying competition may lead to higher user acquisition costs, lower marketing campaign efficiency and pressure on player engagement and monetisation levels.

The Group remains exposed to the risk of changes in the policies of major distribution platforms, advertising networks and providers of marketing tools. Such changes may affect user acquisition capabilities, the availability and cost of advertising inventory, the rules for game distribution and monetisation, and the development of alternative sales channels, including D2C. Potential regulatory changes concerning large online platforms may also create opportunities for the development of direct sales channels; however, their ultimate impact on the Group's business will depend on how new regulations are implemented in practice by the platforms and on users' response to alternative payment methods.

The Group's results may also be affected by macroeconomic and geopolitical factors, including the level of consumer spending on entertainment, the economic situation in key markets, inflation, interest rates, consumer sentiment and uncertainty related to the international situation. For the Group, the situation in North America remains particularly important, as it is one of the key sales markets for its products. Changes in consumer sentiment in this market may directly translate into the level of bookings generated by the Group's games.

The Group is also exposed to the risk of exchange rate fluctuations, in particular USD/PLN and EUR/PLN. Changes in the USD/PLN exchange rate may affect both the reported value of bookings and revenue expressed in PLN, as well as the costs of marketing activities carried out in foreign markets. Changes in the EUR/PLN exchange rate may affect, among other things, the costs of operations conducted in Italy. Geopolitical uncertainty, including tensions in the Middle East, may remain an additional source of foreign exchange volatility. As a result, exchange rate fluctuations may affect the level of the Group's reported revenue and costs, as well as its profitability.

12.

AGREEMENTS WHICH MAY RESULT IN FUTURE CHANGES IN THE PROPORTIONS OF SHARES HELD BY SHAREHOLDERS

As a rule, agreements that may in the future affect changes in the proportions of shares held by shareholders are those relating to share-based incentive programs (new share issues).

The incentive programs adopted by the Company in 2023 and settled in 2024 – 2025 are based on the allocation of treasury shares repurchased from the market and therefore do not directly affect the proportions of shares held by shareholders.

However, the new incentive program for 2025 – 2029 is based on authorized capital and thus allows for the possibility of issuing new shares and changing the proportions of shares held by shareholders.

A more detailed description of the existing incentive programs is provided in the note "Share-based incentive programs" forming part of the interim consolidated financial statements.

13.

OTHER INFORMATION RELEVANT FOR THE ASSESSMENT OF THE EMPLOYMENT SITUATION, ASSETS, FINANCIAL POSITION, FINANCIAL RESULT AND CHANGES THEREOF, AND INFORMATION RELEVANT FOR THE ASSESSMENT OF THE ISSUER'S POSSIBILITY TO FULFILL ITS OBLIGATIONS

In the Ten Square Games S.A. Capital Group as at June 30, 2026 and as at August 24, 2026, there are no other material information of the above nature.

14.

THE MANAGEMENT BOARD'S STANCE ON THE POSSIBILITY OF FULFILMENT OF PREVIOUSLY PUBLISHED FORECASTS FOR A GIVEN YEAR IN THE LIGHT OF THE RESULTS PRESENTED IN THE QUARTERLY REPORT, COMPARED TO THE FORECASTED RESULTS

The Management Board of Ten Square Games S.A. did not publish forecasts of 2026 financial results.

15.

SEASONALITY OR CYCLICALITY OF OPERATIONS

There is no significant seasonality in the Group's operations.

16.

BANK LOANS, BORROWINGS, SURETIES AND GUARANTEES

As at 30 June 2026 and as at the date of publication of the financial statements, neither Ten Square Games S.A. nor any of its subsidiaries was a party to any loan or borrowing agreements, except for agreements concluded between members of the capital group. The Parent Company and its subsidiaries also did not grant any sureties or guarantees during the period covered by the report.

17.

ACQUISITION OF OWN SHARES

No purchase of treasury (own) shares occurred during the period covered by this Report.

18.

BRANCHES (OFFICES) OWNED BY THE PARENT COMPANY

The Parent Company and its subsidiaries do not have branches (offices).

19.

INDICATION OF MATERIAL PROCEEDINGS PENDING BEFORE A COURT, A COMPETENT ARBITRATION AUTHORITY OR A PUBLIC ADMINISTRATION AUTHORITY, CONCERNING THE LIABILITIES AND RECEIVABLES OF THE ISSUER OR ITS SUBSIDIARY, INCLUDING THE SUBJECT MATTER OF THE PROCEEDINGS, THE VALUE OF THE CLAIM, THE DATE OF COMMENCEMENT OF THE PROCEEDINGS, THE PARTIES TO THE PROCEEDINGS AND THE ISSUER'S POSITION

None occurred in the reporting period.

20.

INFORMATION ON THE CONCLUSION BY THE ISSUER OR A SUBSIDIARY OF ONE OR MULTIPLE TRANSACTIONS WITH RELATED ENTITIES, IF THEY ARE CONCLUDED ON TERMS OTHER THAN ARM'S LENGTH TERMS

All transactions with subsidiaries made by the Issuer or its subsidiary are made at arm's length. The list of transactions between related entities was presented in the semi-annual report in the note to the consolidated financial statements.

21.

FINANCIAL INSTRUMENTS IN RISK MANAGEMENT

1. **Financial instruments with respect to the following risks: changes in prices, credit risk, material disruption of cash flows and liquidity to which an entity is exposed:**

The Group and the Parent Company do not use such financial instruments due to the fact that the expected costs of their use could be higher than the probable benefits.

2. **Financial instruments within the scope of the entity's objectives and methods of financial risk management, including methods of hedging material types of planned transactions for which hedge accounting is applied:**

The Group and the Parent Company do not use such financial instruments due to the fact that the expected costs of their use could be higher than the probable benefits.

APPROVED REPORT ON THE ACTIVITIES OF THE MANAGEMENT BOARD

This report for the period from January 1 to June 30, 2026 was signed and approved for publication by the Management Board of Ten Square Games S.A. on August 24, 2026.

PRESIDENT
OF THE MANAGEMENT BOARD

Andrzej Ilczuk

MEMBER
OF THE MANAGEMENT BOARD

Janusz Dziemidowicz

MEMBER
OF THE MANAGEMENT BOARD

Magdalena Jurewicz

Wrocław, 24 August 2026