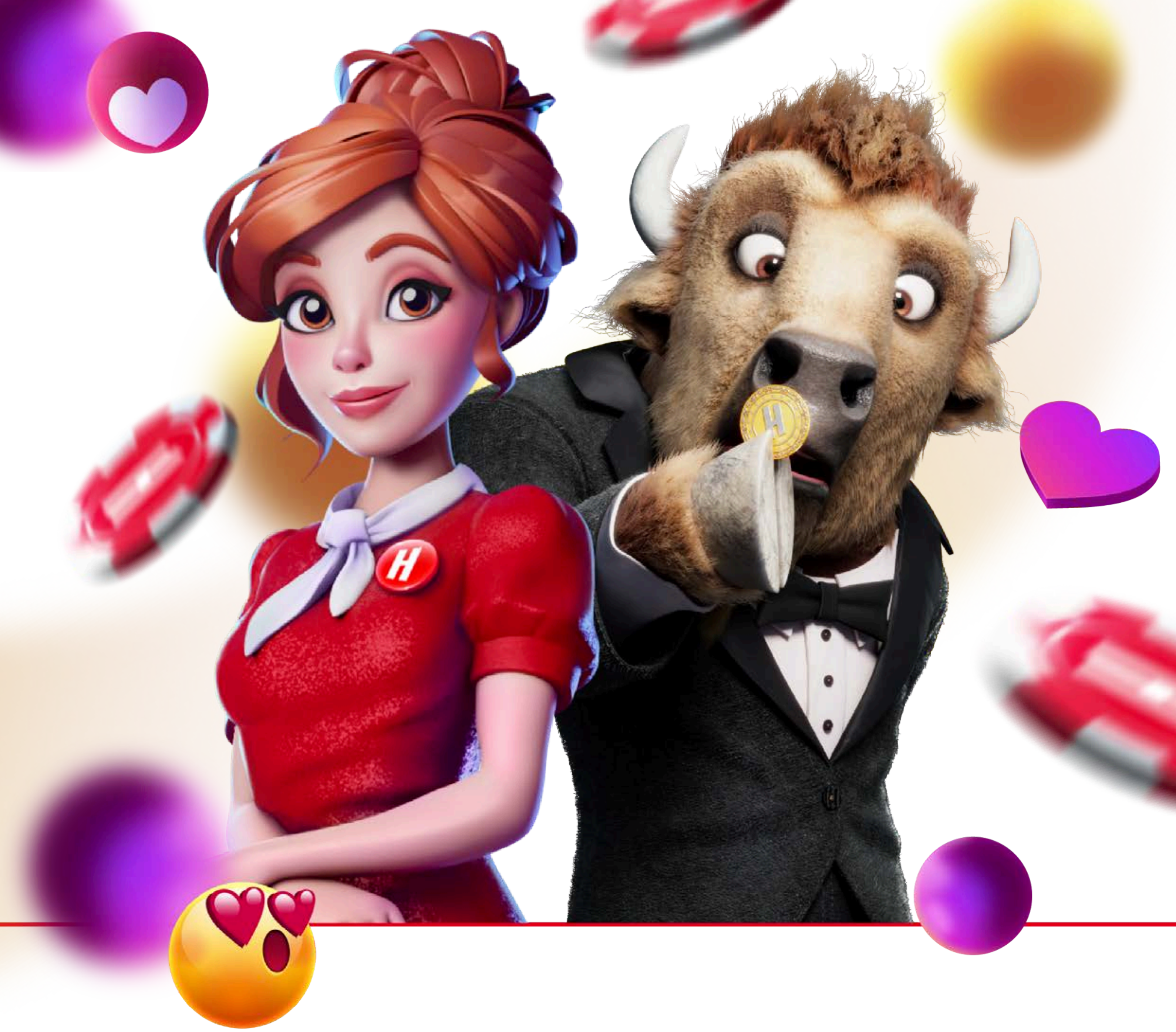

The Huuuge, Inc. Group Interim Condensed Consolidated Financial Statements

as at and for the six-month period ended June 30, 2024

prepared in accordance with the IAS 34 Interim Financial Reporting
as adopted by the European Union

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Interim condensed consolidated statement of comprehensive income

	Note	Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited Reclassified	Three-month period ended June 30, 2024 Unaudited	Three-month period ended June 30, 2023 Unaudited Reclassified
Revenue	3	**130,325**	**140,934**	**63,350**	**69,188**
Cost of sales	4	(36,681)	(41,444)	(17,624)	(20,308)
Gross profit on sales		**93,644**	**99,490**	**45,726**	**48,880**
Sales and marketing expenses:	4	(30,645)	(20,502)	(15,560)	(11,115)
thereof, User acquisition marketing campaigns	4	*(23,683)*	*(14,048)*	*(11,911)*	*(7,724)*
thereof, General sales and marketing expenses	4	*(6,962)*	*(6,454)*	*(3,649)*	*(3,391)*
Research and development expenses	4	(11,583)	(13,242)	(5,878)	(5,769)
General and administrative expenses	4	(15,855)	(17,211)	(7,815)	(7,611)
Other operating income/(expense), net		(923)	367	29	5
Operating result		**34,638**	**48,902**	**16,502**	**24,390**
Finance income	5	4,005	3,729	1,898	2,141
Finance expense	5	(149)	(162)	(30)	(81)
Profit before tax		**38,494**	**52,469**	**18,370**	**26,450**
Income tax	6	(6,883)	(8,365)	(3,300)	(4,740)
Net result for the period		**31,611**	**44,104**	**15,070**	**21,710**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange gains/(losses) on translation of foreign operations		(1,747)	966	(789)	538
Total other comprehensive income		**(1,747)**	**966**	**(789)**	**538**
Total comprehensive income for the period		**29,864**	**45,070**	**14,281**	**22,248**
Net result for the period attributable to:					
owners of the Parent		31,611	44,104	15,070	21,710
Total comprehensive income for the period attributable to:					
owners of the Parent		29,864	45,070	14,281	22,248
Earnings per share (in USD)					
Basic	10	0.52	0.56	0.26	0.28
Diluted	10	0.52	0.55	0.26	0.27

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

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

Interim condensed consolidated statement of financial position

	Note	As at June 30, 2024 Unaudited	As at December 31, 2023 Audited
Assets			
Non-current assets			
Property, plant and equipment		2,562	2,576
Right-of-use assets	13	5,805	6,850
Goodwill		2,472	2,554
Intangible assets	8	10,030	9,854
Deferred tax assets	6	4,021	3,733
Long-term lease receivables	13	1,693	2,341
Long-term investments	7	3,500	-
Other long-term assets		2,029	1,886
Total non-current assets		**32,112**	**29,794**
Current assets			
Trade and other receivables		25,426	32,635
Short-term lease receivables	13	1,183	1,209
Corporate income tax receivables		2,243	1,680
Other short-term financial assets		2,574	-
Cash and cash equivalents	9	109,591	152,110
Total current assets		**141,017**	**187,634**
Total assets		**173,129**	**217,428**
Equity			
Share capital	11	1	1
Treasury shares	11	(16,065)	(16,652)
Supplementary capital	11	79,110	150,364
Employee benefit reserve	12	27,870	25,749
Foreign exchange reserve		(2,473)	(726)
Retained earnings		49,935	18,324
Total equity		**138,378**	**177,060**
Equity attributable to owners of the Company		*138,378*	*177,060*
Non-current liabilities			
Long-term lease liabilities	13	5,163	6,843
Other long-term liabilities		363	374
Total non-current liabilities		**5,526**	**7,217**
Current liabilities			
Trade and other payables		16,416	17,132
Deferred income	3	1,664	2,471
Corporate income tax liabilities		5,736	8,052
Short-term lease liabilities	13	3,709	3,796
Provisions		1,700	1,700
Total current liabilities		**29,225**	**33,151**
Total equity and liabilities		**173,129**	**217,428**

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

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

Interim condensed consolidated statement of changes in equity

	Equity attributable to owners							
	Note	**Share capital**	**Treasury shares**	**Supplementary capital**	**Employee benefit reserve**	**Retained earnings**	**Foreign exchange reserve**	**Equity**
As at January 1, 2024, Audited		**1**	**(16,652)**	**150,364**	**25,749**	**18,324**	**(726)**	**177,060**
Net profit/(loss) for the period		-	-	-	-	*31,611*	-	31,611
Other comprehensive income – foreign currency exchange gains/(losses)		-	-	-	-	-	*(1,747)*	(1,747)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**31,611**	**(1,747)**	**29,864**
Exercise of stock options	11, 12	-	587	(422)	-	-	-	165
Employee share schemes – value of employee services	12	-	-	-	2,121	-	-	2,121
Transaction costs related to SBB program*		-	(832)	-	-	-	-	(832)
Repurchase of common shares under Share Buyback Scheme ("SBB")	11	-	(70,000)	-	-	-	-	(70,000)
Retirement of shares purchased during the Share Buyback Scheme ("SBB")	11	-	70,832	(70,832)	-	-	-	-
As at June 30, 2024, Unaudited		**1**	**(16,065)**	**79,110**	**27,870**	**49,935**	**(2,473)**	**138,378**

* Transaction costs related to the Share Buyback ("SBB") program include directly attributable costs incurred before June 30, 2024, incl. excise tax on certain repurchases of shares by corporations, recognized as a deduction from equity. The change of trade and other payables presented in the interim consolidated statement of financial position as at June 30, 2024 does not equal the change in the consolidated statement of cash flows for the six-month period ended June 30, 2024. The difference of USD 409 thousand is due to the transaction costs related to SBB, presented in the cash flows from financing activities in the interim consolidated statement of cash flows, which were not paid as at June 30, 2024.

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

	Equity attributable to owners							
	Note	Share capital	Treasury shares	Supplementary capital	Employee benefit reserve	Retained earnings/ (accumulated losses)	Foreign exchange reserve	Equity
As at January 1, 2023, Audited		**2**	**(20,942)**	**305,261**	**22,894**	**(63,854)**	**(2,634)**	**240,727**
Net profit/(loss) for the period		-	-	-	-	*44,104*	-	*44,104*
Other comprehensive income – foreign currency exchange gains/(losses)		-	-	-	-	-	*966*	*966*
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**44,104**	**966**	**45,070**
Exercise of stock options	11,12	-	3,619	(3,274)	-	-	-	345
Employee share schemes – value of employee services	12	-	-	-	970	-	-	970
Transaction costs related to SBB program*		-	(1,077)	-	-	-	-	(1,077)
As at June 30, 2023, Unaudited		**2**	**(18,400)**	**301,987**	**23,864**	**(19,750)**	**(1,668)**	**286,035**

* Transaction costs related to the Share Buyback ("SBB") program include directly attributable costs incurred before June 30, 2023, recognized as a deduction from equity. The change of trade and other payables presented in the interim consolidated statement of financial position as at June 30, 2023 does not equal the change in the interim consolidated statement of cash flows for the six-months period ended June 30, 2023. The difference is due to the transaction costs related to SBB, presented in the cash flows from financing activities in the interim consolidated statement of cash flows, which were not paid as at June 30, 2023

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

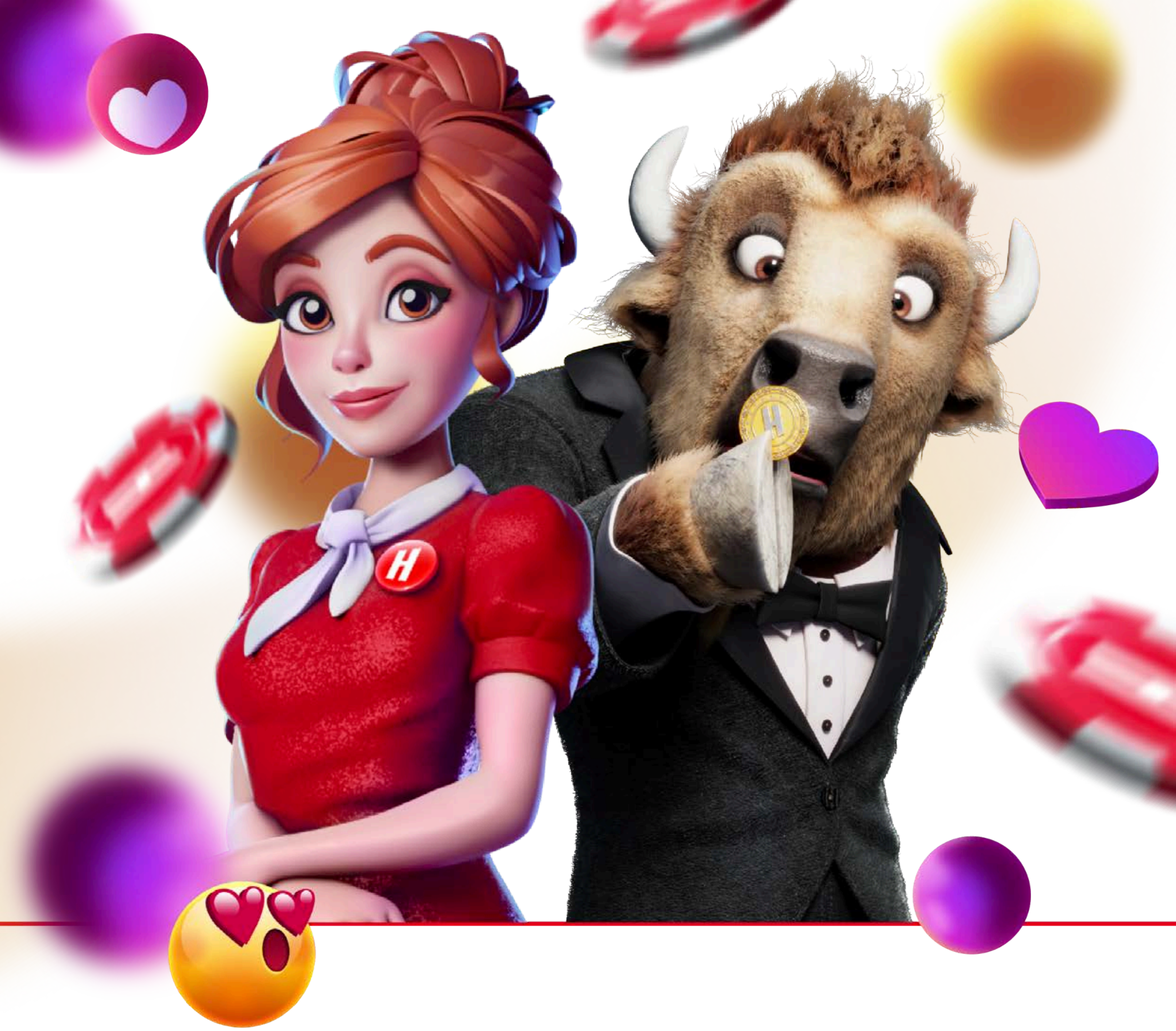
Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

Interim condensed consolidated statement of cash flows

	Note	Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Cash flows from operating activities			
Profit before tax		**38,494**	**52,469**
Adjustments for:			
Depreciation and amortization	4	4,625	4,687
Finance (income)/expense, net	5	(4,176)	(1,888)
Non-cash employee benefits expense – share-based payments	12	2,121	970
(Profit)/loss on disposal of property, plant and equipment		51	473
Changes in net working capital:			
Trade and other receivables, and other long-term assets		6,636	(6,915)
Trade and other payables		(4,241)	(6,834)
Other short-term financial assets		(2,574)	-
Deferred income		(807)	(789)
Other long-term liabilities		-	201
Other adjustments		(30)	93
Cash flows from operating activities		**40,099**	**42,467**
Income tax paid		(7,366)	(5,076)
Net cash flows from operating activities		**32,733**	**37,391**
Cash flows from investing activities			
Long-term investments	7	(3,500)	-
Interest received	5	2,937	3,875
Software expenditures	8	(1,649)	(1,323)
Acquisition of property, plant and equipment		(932)	(199)
Sublease payments received	13	552	226
Interest received from sublease	13	88	49
Net cash flows from/(used in) investing activities		**(2,504)**	**2,628**
Cash flows from financing activities			
Repurchase of common shares under Share Buyback Scheme ("SBB")	11	(70,000)	-
Lease repayment (principal)	13	(2,083)	(2,112)
Transaction costs related to SBB		(423)	(61)
Exercise of stock options	12	165	345
Interest paid	13	(118)	(157)
Net cash flows from/(used in) financing activities		**(72,459)**	**(1,985)**
Net increase/(decrease) in cash and cash equivalents		**(42,230)**	**38,034**
Effect of exchange rate fluctuations and accrued interest		(289)	(692)
Cash and cash equivalents at the beginning of the period		**152,110**	**222,245**
Cash and cash equivalents at the end of the period		**109,591**	**259,587**

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

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.



Notes to the interim condensed consolidated financial statements

1. General information

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

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

As at June 30, 2024 and December 31, 2023, the Huuuge Inc. Group (the Company and its subsidiaries collectively referred to as the "Group") comprised the Parent Company and its subsidiaries, as listed below.

Name of entity	Registered seat	Activities	Parent Company's share in capital	
			As at June 30, 2024	As at December 31, 2023
Huuuge Games Sp. z o.o.	Szczecin, Poland	games development and operations	100%	100%
Huuuge Global Ltd	Limassol, Cyprus	games distribution, user acquisition	100%	100%
Huuuge Publishing Ltd (formerly Fun Monkey Ltd)	Limassol, Cyprus	games distribution	100%	100%
Huuuge Block Ltd (formerly Coffee Break Games Ltd)	Limassol, Cyprus	games distribution	100%	100%
Billionaire Games Limited	Limassol, Cyprus	games distribution	100%	100%
Huuuge Digital Ltd	Tel Aviv, Israel	games development, R&D	100%	100%
Playable Platform B.V.	Amsterdam, Netherlands	games development, R&D	100%	100%
Double Star Oy	Helsinki, Finland	games development	100%	100%
Huuuge UK Ltd	London, United Kingdom	product management	100%	100%
MDOK GmbH (formerly Huuuge Pop GmbH)	Berlin, Germany	games development, in liquidation	100%	100%
Huuuge Labs GmbH	Berlin, Germany	games development, R&D, in liquidation	100%	100%
Huuuge Mobile Games Ltd **	Dublin, Ireland	dissolved	-	100%
Coffee Break Games United Ltd *	Dublin, Ireland	dissolved	-	100%

* Effective on January 24, 2024, Coffee Break Games United Ltd was dissolved and is no longer in existence.
** Effective on May 27, 2024, Huuuge Mobile Games Ltd was dissolved and is no longer in existence.

The core business activities of the Group include:

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

The Group's business activities are not subject to significant seasonal or cyclical trends. The Group's business activities are characterized by low environmental impact. For more information on climate matters, please refer to the Annual report for the twelve-month period ended December 31, 2023. There were no significant risks identified related to climate change.

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

Composition of the Company's Board of Directors as at June 30, 2024 and as at the date of signing of these interim condensed consolidated financial statements

Directors have annual terms of duty and serve until the successors are duly elected. Preferred shareholders have the right to appoint certain directors. Effective on June 18, 2024, Mr. Krzysztof Kaczmarczyk and Mr. Tom Jacobsson were re-elected as independent non-executive directors. In connection with the election of members of the Board of Directors by the Annual General Meeting, Mr. John Salter was elected to serve as the Series A Director for the next term, and Mr. Henric Suuronen and Mr. Anton Gauffin to serve as the Series B Directors for the next term.

As at December 31, 2023, as well as at June 30, 2024 and as at the date of signing of these interim condensed consolidated financial statements, the composition of the Company's Board of Directors was the following:

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

2. Accounting policies

1) Basis for preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements as at and for the six-month period ended June 30, 2024 have been prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended December 31, 2023 prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

These interim condensed consolidated financial statements as at and for the six-month period ended June 30, 2024 were approved on September 3, 2024 by the Board of Directors. The Group has prepared these interim consolidated financial statements on the basis that it will continue to operate as a going concern.

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

Changes in presentation of amortization of the intangible assets

During the six-month period ended June 30, 2024, the Company management analyzed the presentation of the operating expenses and decided on a change in the presentation of the amortization of internally generated intangible assets, as well as few externally generated intangible assets. In 2023, the amortization of the internally and externally generated intangible assets was in full allocated to the "General and administrative expenses" in the statement of comprehensive income. Starting from January 1, 2024, management decided to allocate the amortization of intangible assets by function. As a result, the amortization in the amount of USD 910 thousand was allocated to and presented in the line "Research and development expenses" and USD 274 thousand was allocated to and presented in the line "Sales and marketing expenses" (please, refer to the Note 4 *Operating expenses*).

Such a presentation is relevant to an understanding of the Group's operating expenses structure. In the management's view, the amended presentation enhances the presentation of the statement of the comprehensive income. The change was implemented retrospectively, i.e. the comparative figures conform to the new presentation: as a result of this change, the amount transferred from the "General and administrative expenses" to the line "Research and development expenses" is USD 612 thousand and to the line "Sales and marketing expenses" is USD 156 thousand for the six-month period ended June 30, 2023. This change did not have an impact on total operating expenses for the six-month period ended June 30, 2023, nor for the year ended December 31, 2023.

2) Material accounting policies, key judgments and estimates

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements as at and for the year ended December 31, 2023, except for the adoption of new standards effective as at January 1, 2024. The Group has not early-adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024 but do not have an impact on the interim condensed consolidated financial statements of the Group. In preparing these interim condensed consolidated financial statements, the significant judgements and estimates made by management in applying the Group's accounting policies have been consistently applied by the Group and are consistent across the reported periods.

3) Adoption of new and revised standards

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

In preparing these interim condensed consolidated financial statements, the Group's management has analyzed new Standards that have already been adopted by the European Union and that should be applied for periods beginning on or after January 1, 2024.

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

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on September 11, 2014): the endorsement process of these Amendments has been postponed by the EU – the effective date was deferred indefinitely by the International Accounting Standards Board;
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on August 15, 2023): not yet endorsed by the EU at the date of approval of these interim condensed financial statements for issue – effective for financial years beginning on or after January 1, 2025;
- IFRS 18: Presentation and disclosure in financial statements (issued on April 9, 2024) – not yet endorsed by EU at the date of approval of these interim condensed financial statements for issue – effective for financial years beginning on or after January 1, 2027;
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (issued on May 9, 2024) – not yet endorsed by EU at the date of approval of these interim condensed financial statements for issue – effective for financial years beginning on or after January 1, 2027;
- Amendments to IFRS 9 and IFRS: Amendments to the Classification and Measurement of Financial Instruments (issued on May 30, 2024) – not yet endorsed by EU at the date of approval of these interim condensed financial statements for issue – effective for financial years beginning on or after January 1, 2026;
- Annual Improvements Volume 11 (issued on July 18, 2024) – not yet endorsed by EU at the date of approval of these interim condensed financial statements for issue – effective for financial years beginning on or after January 1, 2026.

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

New International Financial Reporting Standards and Interpretations effective for the first time for financial year 2024:
During the six-month period ended June 30, 2024, the following IFRS and amendments to IFRS or interpretations entered into force:

- Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Deferral of Effective Date and Non-current Liabilities with Covenants (issued on January 23, 2020 and subsequently amended on July 15, 2020 and October 31, 2022): effective for financial years beginning on or after January 1, 2024;

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on September 22, 2022): effective for financial years beginning on or after January 1, 2024;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on May 25, 2023): not yet endorsed by the EU at the date of approval of these financial statements for issue – effective for financial years beginning on or after January 1, 2024.

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

3. Revenue and segment information

Huuuge's business, development and sales of casual games for mobile platforms is global, and both games and sales channels are the same, regardless of where the players (customers) are located. Management measures and monitors the Group's revenue in respect of each game, but does not allocate all costs, assets and liabilities by game and does not measure the operating results by game. In management's view, the operations and the Group's financial performance and position cannot be divided into different segments in such a way that it improves the ability to analyze and manage the Group. As at June 30, 2024 the CEO is the Chief operating decision-maker and for this reason, the CEO analyzes the consolidated financial position and operating results of the Group as a whole; therefore, it has been determined that the Group has only one operating segment ("online mobile games").

The Group's management monitors operating results on a group-wide basis for the purpose of making decisions about resource allocation and performance assessment.

The Group's revenue from contracts with clients comprises revenue generated by in-app purchases (gaming applications) and in-app ads (advertising). Revenue generated from gaming applications for the six-month period ended June 30, 2024 amounted to USD 129,174 thousand (USD 138,957 thousand for the six-month period ended June 30, 2023), and revenue generated from advertising amounted to USD 1,151 thousand for the six-month period ended June 30, 2024 (USD 1,977 thousand for the six-month period ended June 30, 2023).

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

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

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

For advertising, the Group does not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period using the practical expedient allowed under IFRS 15, i.e., the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

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

	Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Huuuge Casino	84,069	89,093
Billionaire Casino	42,786	44,998
Traffic Puzzle	2,783	5,717
Other games	687	1,126
Total revenue	**130,325**	**140,934**

Revenue was generated in the following geographical locations:

	Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
North America	77,095	86,423
Europe	33,470	32,992
Asia-Pacific (APAC)	7,282	8,141
Other	12,478	13,378
Total revenue	**130,325**	**140,934**

The line "North America" includes revenue generated in the United States amounting to USD 73,441 thousand during the six-month period ended June 30, 2024 (USD 82,297 thousand during the six-month period ended June 30, 2023). The above is the management's best estimate, as no geographical breakdown is available for some revenue sources.

The allocation to regions is driven by the location of individual end-user customers. No individual end-user customer with whom the Group concludes transactions had a share of 10% or more in the Group's total revenues in the six-month period ended June 30, 2024 or June 30, 2023. The vast majority of revenues is generated by several platform providers, such as Apple App Store, Google Play, Facebook and Amazon App Store, as well as directly through direct-to-consumer offering (Web store).

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

	Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Third-party platforms	117,225	134,980
Direct-to-consumer platforms	13,100	5,954
Total revenue	**130,325**	**140,934**

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

4. Operating expenses

For the six-month period ended June 30, 2024, the operating expenses comprised:

Expenses by nature, Unaudited	Total	Cost of sales	Sales and marketing expenses:		Research and development expenses	General and administrative expenses
			thereof, User acquisition marketing campaigns	*thereof,* General sales and marketing expenses		
Platform fees to distributors	35,580	35,580	-	-	-	-
External developers fees	300	-	-	-	300	-
Gaming servers expenses	310	310	-	-	-	-
External marketing and sales services	26,423	-	23,683	2,740	-	-
Salaries and employee-related costs	19,276	-	-	3,839	9,663	5,774
Employee stock option plan	2,121	-	-	101	199	1,821
Depreciation and amortization	4,625	791	-	274	910	2,650
Finance & legal services	1,571	-	-	-	-	1,571
IT equipment and software expenses	1,672	-	-	-	-	1,672
Property maintenance and external services	926	-	-	-	-	926
Other costs	1,960	-	-	8	511	1,441
Total operating expenses	**94,764**	**36,681**	**23,683**	**6,962**	**11,583**	**15,855**

Other costs under research and development expenses include costs of development, graphics and gaming content. Other costs under general and administrative expenses include mainly business travel expenses, office management services (including company events), training costs and costs of recruitment and payment services.

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

For the six-month period ended June 30, 2023, the operating expenses comprised:

Expenses by nature, Unaudited Reclassified	Total	Cost of sales	Sales and marketing expenses:		Research and development expenses	General and administrative expenses
			thereof, User acquisition marketing campaigns	*thereof,* General sales and marketing expenses		
Platform fees to distributors	40,242	40,242	-	-	-	-
External developers fees	508	-	-	-	508	-
Gaming servers expenses	411	411	-	-	-	-
External marketing and sales services	16,021	-	14,048	1,973	-	-
Salaries and employee-related costs	23,169	-	-	4,233	11,651	7,285
Employee stock option plan	970	-	-	81	66	823
Depreciation and amortization	4,687	791	-	156	612	3,128
Finance & legal services	1,781	-	-	-	-	1,781
IT equipment and software expenses	1,514	-	-	-	-	1,514
Property maintenance and external services	1,112	-	-	-	-	1,112
Other costs	1,984	-	-	11	405	1,568
Total operating expenses	**92,399**	**41,444**	**14,048**	**6,454**	**13,242**	**17,211**

Salaries and employee-related costs include costs related to the headcount reductions amounting to USD 1,640 thousand. Other costs under research and development expenses include costs of gaming content. Other costs under general and administrative expenses include mainly IT services, car fleet and office management services (including company events), and costs of recruitment and payment services.

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

As of June 30, 2024, the amortization of intangible assets was allocated to and is presented within "Research and development expenses" and "Sales and marketing expenses". The comparative figures have been reclassified accordingly. Specifically, USD 612 thousand previously presented under "General and administrative expenses" has been reclassified to "Research and development expenses", and USD 156 thousand previously presented under "General and administrative expenses" has been reclassified to "Sales and marketing expenses". Please, refer to Note 2.1) Basis for preparation of interim condensed consolidated financial statements, point Changes in presentation of amortization of the intangible assets.

5. Finance income and finance expense

Finance income

	Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Foreign exchange gains, net	1,031	274
Interest income	2,974	3,455
Total finance income	**4,005**	**3,729**

In the six-month period ended June 30, 2024, finance income amounted to USD 4,005 thousand, which mainly comprises interest income on deposits and money market mutual funds accounts. In the six-month period ended June 30, 2023, finance income amounted to USD 3,729 thousand, which comprises mainly interest income on deposits and money market mutual funds accounts.

During the six-month period ended June 30, 2024, Huuuge Global Ltd and Huuuge Games Sp. z o.o. have entered into currency forward contracts. Both contracts are short term, i.e. for the period not exceeding 3 months. Notional amount of the outstanding contracts as at June 30, 2024 amounted to USD 14,321 thousand. The effect of the contracts valuation amounted to USD 65 thousand in the six-month period ended June 30, 2024, and was presented in the line "Finance income" in the interim condensed consolidated statement of comprehensive income.

Finance expense

In the six-month period ended June 30, 2024, finance expense includes the interest expense in the amount of USD 149 thousand (USD 162 thousand in the six-month period ended June 30, 2023), which comprises mainly interest expense recognized under IFRS 16 on lease liabilities.

In addition to finance income and expenses, the "Finance (income)/cost, net" line presented in the interim condensed consolidated statements of cash flows includes the effect of exchange gains and losses on translation of foreign operations to the presentation currency, i.e. USD.

6. Income tax

	Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Current income tax	7,171	7,608
Change in deferred income tax	(288)	757
Income tax for the period	**6,883**	**8,365**

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

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

The average tax rate used for the six-month period ended June 30, 2024 is 17.9%, compared to 15.9% for the six-month period ended June 30, 2023. The tax rate was higher in the six-month period ended June 30, 2024 mainly due to the higher proportion of non-tax deductible costs in comparison to the prior period, as well as due to higher proportion of tax losses without recognized tax benefit.

7. Long-term investments

As reported in the current report no. 13/2024, on March 17, 2024 (the "Signing Date") the Company concluded: (i) a simple agreement for future equity (the "SAFE") with Bananaz Studios Ltd., with its seat in Tzur Yitzhak, State of Israel ("Bananaz"); and (ii) a call option deed agreement (the "Call Option Deed") with Bananaz and its shareholders, including the founders of Bananaz (collectively, the "Transaction Documents").

Bananaz currently operates "Slots Cash", a product that the Company views as attractive and complementary to its core social casino business.

Under the SAFE, the Company undertook to invest in Bananaz up to USD 6,000 thousand in exchange for the future right to receive newly issued shares in Bananaz (the "Payment"). The Payment will be split into two tranches: (i) payment of the first tranche in the amount of USD 3,500 thousand was ordered on the Signing Date; and (ii) the second tranche in the amount of USD 2,500 thousand shall be payable following the achievement by Bananaz of certain key performance indicators indicated in the SAFE, or at the Company's sole discretion, during the period commencing 9 months and ending 18 months after the Signing Date (the "Second Tranche"). The Company will be investing in Bananaz at a pre-money valuation of USD 16,500 thousand. Bananaz will primarily use the proceeds to grow its team, execute on the roadmap for Slots Cash, and invest in user acquisition.

The SAFE provides for the conversion of the Payment into shares in Bananaz's share capital upon the occurrence of the certain conversion events referred to in the SAFE, including the exercise of the Call Option (as defined below).

In accordance with the provisions of the Call Option Deed, the Company is granted the right (not an obligation) to acquire the entire issued share capital of Bananaz (existing or future) together with all rights attached thereto (the "Call Option Shares", the "Call Option"). The Company is entitled to exercise the Call Option at any time following the investment of the Second Tranche and ending on the date falling 24 months following the date of the investment of the Second Tranche. The price of the Call Option Shares shall be paid in two installments.

The first installment shall be calculated based on the EBITDA of Bananaz adjusted by a determined multiplier and by certain balance sheet and other items outlined in the Call Option Deed. However, in any case the price for the Call Option Shares will not be lower than USD 20,000 thousand for all the shares in the share capital of Bananaz (including the shares which will be issued to the Company according to the SAFE), before the above-mentioned agreed adjustments. The first installment shall be payable at the completion of the Call Option.

The size of the second installment will be determined based on a multiple of future EBITDA of Bananaz, or a multiple of future EBITDA and future revenue of Bananaz in tandem and will be the difference between the value calculated using this methodology, and the first installment (the "Deferred Consideration"). The Deferred Consideration attributable to the founders (not all of the sellers) is subject to a time base vesting mechanism and linked to their employment by Bananaz on a full-time basis. The Deferred Consideration will be paid within 10 days following the lapse of 36 months after the payment of the first installment.

Furthermore, from the Signing Date, the Company is granted typical rights of a minority shareholder, including but not limited to: the right to appoint one director to the Board of Directors of Bananaz, certain Board of Directors and shareholder' reserved matters; and information rights. The Transaction Documents are governed by English law.

As at June 30, 2024, the SAFE agreement was recognised in the line "Long-term investments" in the interim condensed consolidated statement of financial position in the amount of USD 3,500 thousand. Since the strike price for the call option as at June 30, 2024 is higher than the fair value of the underlying assets, the call option approximates nil value as at the reporting date. The call option fair value is subject to revaluation in the following reporting periods.

8. Intangible assets

	IP rights	Software generated internally	Software acquired externally	Prepayments for intangible assets	Total
Gross book value as at January 1, 2024	**39,743**	**5,690**	**3,766**	**1,653**	**50,852**
Additions	-	-	1,832	709	**2,541**
Transfers	-	450	-	(450)	-
Net foreign exchange differences on translation	-	(1)	(14)	-	**(15)**
Gross book value as at June 30, 2024	**39,743**	**6,139**	**5,584**	**1,912**	**53,378**
Accumulated amortization and impairment as at January 1, 2024	**(34,959)**	**(2,530)**	**(3,509)**	**-**	**(40,998)**
Amortization charge for the period	(798)	(914)	(657)	-	**(2,369)**
Net foreign exchange differences on translation	5	1	13	-	**19**
Accumulated amortization and impairment as at June 30, 2024	**(35,752)**	**(3,443)**	**(4,153)**	**-**	**(43,348)**
Net book value as at January 1, 2024, Audited	**4,784**	**3,160**	**257**	**1,653**	**9,854**
Net book value as at June 30, 2024, Unaudited	**3,991**	**2,696**	**1,431**	**1,912**	**10,030**

	IP rights	Software generated internally	Software acquired externally	Prepayments for intangible assets	Total
Gross book value as at January 1, 2023	**39,695**	**3,653**	**3,399**	**1,904**	**48,651**
Additions	-	-	217	1,106	**1,323**
Transfer from assets under construction	-	721	-	(721)	**-**
Derecognition of capitalized expenditure	-	-	-	(162)	**(162)**
Net foreign exchange differences on translation	4	-	37	11	**52**
Gross book value as at June 30, 2023	**39,699**	**4,374**	**3,653**	**2,138**	**49,864**
Accumulated amortization and impairment as at January 1, 2023	**(33,079)**	**(1,174)**	**(2,341)**	**-**	**(36,594)**
Amortization charge for the period	(1,082)	(612)	(546)	-	**(2,240)**
Net foreign exchange differences on translation	(3)	-	(28)	-	**(31)**
Accumulated amortization and impairment as at June 30, 2023	**(34,164)**	**(1,786)**	**(2,915)**	**-**	**(38,865)**
Net book value as at January 1, 2023, Audited	**6,616**	**2,479**	**1,058**	**1,904**	**12,057**
Net book value as at June 30, 2023, Unaudited	**5,535**	**2,588**	**738**	**2,138**	**10,999**

No indicators for additional impairment recognition or reversal were identified as at June 30, 2024 and June 30, 2023 in relation to intangible assets. As at June 30, 2024, and as at the date of approval of these interim condensed consolidated financial statements for issue, there were no pledges or collaterals on the Group's intangible assets.

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

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

9. Cash and cash equivalents

	As at June 30, 2024 Unaudited	As at December 31, 2023 Audited
Deposits	53,060	53,105
Money market mutual fund investments	43,894	79,986
Cash at banks (current accounts)	7,877	13,929
Cash for buy-sell-back transactions	4,760	5,090
Total cash and cash equivalents	**109,591**	**152,110**

As at June 30, 2024, there were short-term cash deposits amounting to USD 53,060 thousand. Maturity of these investments is three months, and they are repayable on demand, thus the investments are highly liquid, readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value, and meet the criteria indicated in IAS 7 Statement of Cash Flows, and have been considered in substance as cash equivalents.

Money market mutual fund investments are classified as cash equivalents. For the details, please refer to Note 2.2 *Key judgements and estimates* in the consolidated financial statements as at and for the year ended December 31, 2023.

During the six-month period ended June 30, 2024, money market mutual fund investments and deposits generated interest income in the total amount of USD 2,855 thousand. This includes the accrued interest from bank deposits in the amount of USD 254 thousand (USD 331 thousand as at December 31, 2023). For details, please refer to Note 5 *Finance income and finance expense*.

As at June 30, 2024, there was restricted cash in the amount of USD 31 thousand (USD 32 thousand as at December 31, 2023).

10. Earnings per share

Detailed methodology of calculation of basic and diluted earnings per share is presented in the Group's consolidated financial statements as at and for the year ended December 31, 2023.

Basic EPS		Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Net result attributable to the owners of the Parent	[A]	31,611	44,104
Undistributed profit (loss) attributable to holders of series A and B preference shares	[B]	-	-
Profit (loss) attributable to holders of common shares	**[C]=[A]-[B]**	**31,611**	**44,104**

		Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Weighted average number of common shares	[D]	60,371,117	79,418,767
Basic EPS	[E] = [C] / [D]	0.52	0.56

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

Diluted EPS		Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Profit (loss) attributable to holders of common shares	[A]	31,611	44,104
Profit (loss) attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**[B]**	**31,611**	**44,104**

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

		Six-month period ended June 30, 2024 Unaudited	Six-month period ended June 30, 2023 Unaudited
Weighted average number of issued common shares used in calculating basic earnings per share	[C]	60,371,117	79,418,767
Employee Stock Option Plan	[D]	221,509	612,952
Weighted average number of issued common shares and potential common shares used in calculating diluted earnings per share	**[E]=[C]+[D]**	**60,592,626**	**80,031,719**
Diluted EPS	[F]=[B] / [E]	0.52	0.55

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

11. Share capital

As at June 30, 2024 and June 30, 2023, the Group's share capital comprised common shares and preferred shares series A and B. Below are presented movements on different components of equity divided in the categories of shares (nominal values presented in USD, not thousand USD):

Shares classified as equity instruments as at June 30, 2024:

	Common shares (outstanding)		Preferred shares (series A and B)		Treasury shares		Treasury shares allocated for the existing share-based payment programs		Total (issued)	
	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value
As at January 1, 2024, Audited	**62,977,148**	**1,260**	**2**	**0**	**4,147,628**	**84**	**-**	**-**	**67,124,778**	**1,344**
Allocation of shares to Share-based payment program	-	-	-	-	(168,509)	(3)	168,509	3	-	-
Exercise of stock options	145,582	3	-	-	-	-	(145,582)	(3)	-	-
Repurchase of common shares under Share Buyback Scheme ("SBB")	(7,139,797)	(143)	-	-	7,139,797	143	-	-	-	-
Retirement of treasury shares	-	-	-	-	(7,139,797)	(143)	-	-	**(7,139,797)**	**(143)**
As at June 30, 2024, Unaudited	**55,982,933**	**1,120**	**2**	**0**	**3,979,119**	**81**	**22,927**	**-**	**59,984,981**	**1,201**

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

Shares classified as equity instruments as at June 30, 2023:

	Common shares (outstanding)		Preferred shares (series A and B)		Treasury shares		Treasury shares allocated for the existing share-based payment programs		Total (issued)	
	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value
As at January 1, 2023 Audited	**79,183,513**	**1,584**	**2**	**0**	**5,063,182**	**102**	**-**	**-**	**84,246,697**	**1,686**
Allocation of shares to Share-based payment program	-	-	-	-	(748,971)	(15)	748,971	15	-	-
Exercise of stock options	748,971	15	-	-	-	-	(748,971)	(15)	-	-
As at June 30, 2023 Unaudited	**79,932,484**	**1,599**	**2**	**0**	**4,314,211**	**87**	-	**-**	**84,246,697**	**1,686**

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

As at June 30, 2024, the Company was authorized to issue up to 113,881,420 shares with a par value of USD 0.00002 (113,881,418 common shares and 1 share of series A preferred share and 1 share of series B preferred share), out of which as at June 30, 2024, 28,603,873 shares were allocated to a reserve that could be issued only with majority shareholders' approval (4,007,065 as at June 30, 2023).

As at June 30, 2024, the issued share capital of the Company comprised 59,984,981 shares (fully paid) with a par value of USD 0.00002 per share and the total value of USD 1,201 (not thousands), including 55,982,933 common shares held by shareholders, 2 preferred shares (one preferred share of series A and one preferred share of series B) held by shareholders and 4,002,046 common shares reacquired by the Company and not redeemed (presented in the tables above: treasury shares and treasury shares allocated to the existing share-based payment programs).

As at June 30, 2023, the issued share capital of the Company comprised 84,246,697 shares (fully paid) with a par value of USD 0.00002 per share and a total value of USD 1,686 (not thousands), including 79,932,484 common shares held by shareholders, two preferred shares (one preferred share of series A and one preferred share of series B) held by shareholders and 4,314,211 common shares reacquired by the Company and not redeemed (presented in the tables above: treasury shares and treasury shares allocated for the existing share-based payment programs).

During the six-month period ended June 30, 2024, the number of shares (not issued) allocated to the existing share-based payment programs was reduced by 168,509 shares. This is because 145,582 treasury shares were delivered to employees for the options exercised during the period, and 22,927 treasury shares were delivered after June 30, 2024. As at June 30, 2024, 9,923,670 shares with a par value of USD 0.00002 per share were reserved for two stock option programs established in 2015 and 2019.

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

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

As at June 30, 2024 and June 30, 2023, no shareholder owned over 50% of the Company's equity or had more than 50% of voting rights. The Company's major shareholder is Mr. Anton Gauffin, founder and Executive Chairman of the Board, who participates in the Company's ordinary shares indirectly (through shares of Big Bets OU).

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

<u>In the six-month period ended June 30, 2024, the following transactions took place:</u>

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

In the six-month period ended June 30, 2024, 296,767 share options held by employees under the share-based payment program were exercised. Of these, 256,591 options exercised resulted in the delivery of 145,582 treasury shares to employees before June 30, 2024, and 40,176 options resulted in the delivery of 22,927 treasury shares after June 30, 2024 (the difference between the number of options exercised and the number of treasury shares delivered is due to cashless exercises).

The delivery of treasury shares was presented as a movement from treasury shares to common shares. The movement resulted in an increase in share capital in the amount of the nominal value of the shares delivered, and the difference between the value of treasury shares and the cash consideration received in the amount of USD 422 thousand was recognized in supplementary capital. At the same time, the movement decreased the number of shares (not issued) allocated to the existing share-based payment programs.

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

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

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

In the course of the SBB:

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

Prior to the SBB settlement, the Company owned 4,002,046 common shares that represented 5.96% of the Company's share capital and did not entitle the Company to voting rights. Following the settlement of the SBB, the Company owned a total of 11,141,843 shares that represented 16.60% of the Company's share capital and do not entitle the Company to voting rights. Consequently, following the settlement of the SBB, there were 67,124,778 shares of the Company issued and conferring 55,982,935 votes in total at the general meeting of the Company.
On April 26, 2024, in accordance with Section 243 of the Delaware General Corporation law, the Board of Directors adopted a resolution on the retirement of 7,139,797 shares of common stock of the Issuer representing 10.64% of the issued share capital of the Company at the time (as announced in Current Report no. 23/2024). The shares that were subject to the retirement were purchased by the Company during the SBB with the intention that the shares will be retired, other than those shares necessary, in the Company's view, to satisfy its ongoing needs under the Issuer's employee stock option plans.

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

- **Authorised capital decrease**

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

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

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

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

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

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

In the six-month period ended June 30, 2023, the following transactions took place:

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

In the six-month period ended June 30, 2023, 1,340,340 share options held by employees under the share-based payment program were exercised, for which 748,971 treasury shares were delivered to employees before June 30, 2023 (the difference is due to cashless exercises).

The delivery of treasury shares was presented as a movement from treasury shares to common shares (outstanding). The movement resulted in an increase in share capital (outstanding) in the amount of the nominal value of the shares delivered, and the difference between the value of treasury shares and the cash consideration received in the amount of USD 3,274 thousand was recognized in supplementary capital in the interim condensed consolidated statement of changes in equity. At the same time, the movement decreased the number of shares (not issued) allocated to the existing share-based payment programs.

- **Acquisition of shares under share Buyback Scheme ("SBB")**

As reported in the current report no. 25/2023 dated July 4, 2023, as a result of the settlement of the acquisition and transfer of ownership of the shares offered in response to a time-limited invitation to submit to the Company sale offers relating to shares in the Company, at a pre-determined and fixed price per share, open to all shareholders of the Company (the "Invitation") (the "SBB") announced by the Company on May 30, 2023 in the current report no. 19/2023 (as subsequently amended and announced by the Company in current report no. 23/2023 on June 19, 2023), the Company acquired 17,121,919 of its common shares that represent 20.32% of the share capital of the Company and that entitled their holders to exercise 21.42% of the total number of votes at the general meeting of the Company for a total consideration of USD 149,999,996.

The settlement of the SBB took place on July 4, 2023 (the "Settlement Date") outside the organized system of trading in financial instruments through IPOPEMA Securities S.A. The acquisition was made at a gross price of USD 8.7607 per share. Amounts due to investors, after withholding of applicable taxes, have been converted from USD to PLN in accordance with the interbank exchange rate applicable as at July 3, 2023 (as the day preceding the Settlement Date), which is 4.0735.

The shares were acquired on the basis of the Company's Board of Directors resolution dated May 30, 2023 launching the acquisition of the Company's common shares listed on the Warsaw Stock Exchange by way of a time-limited Invitation to Sell, establishing detailed conditions and procedures for participation in and execution of the SBB.

Prior to the SBB settlement, the Company owned 4,314,211 common shares that represented 5.12% of the Company’s share capital and did not entitle the Company to voting rights. Following the settlement of the SBB, the Company owns a total of 21,436,130 shares that represent 25.44% of the Company's share capital and do not entitle the Company to voting rights. Consequently, following the settlement of the SBB, there are 84,246,697 shares of the Company outstanding and conferring 62,810,567 votes in total at the general meeting of the Company. The Company acquired the shares under the SBB with the intention that the shares will be retired, other than those shares necessary, in the Company’s view, to satisfy its ongoing needs under the Company’s employee stock option plans. Treatment of the acquired shares will be determined in due course by the Issuer’s Board of Directors, in accordance with its Certificate of Incorporation.

- **Retirement of shares purchased by the Company during the share buyback**

On August 29, 2023, the Company's Board of Directors in accordance with Section 243 of the Delaware General Corporation law, adopted a resolution on the retirement of 17,121,919 shares of common stock of the Company representing 20.3% of the issued share capital of the Company comprising of 84,246,697 shares (as announced in current report no 37/2023). The retirement is effective as of the adoption of the resolution by the Board of Directors. The shares that were subject to the retirement were purchased by the Company during the share buyback (current report no. 25/2023 dated July 4, 2023) with the intention that the shares will be retired, other than those shares necessary, in the Company's view, to satisfy its ongoing needs under the Company's employee stock option plans.

Effective as of the adoption of there solution of the Board of Directors, the retired shares resumed the status of authorized and unissued shares of the common shares of the Company. At the same time, the Company's issued share capital decreased from 84,246,697 to 67,124,778 shares.

12. Share-based payment arrangements

A detailed description of the Group's equity share-based payment program, i.e. ESOP, and a fair value measurement of the employee share options are presented in the Group's consolidated financial statements as at and for the year ended December 31, 2023.

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

	Six-month period ended June 30, 2024	
	Number of options	**Weighted average exercise price**
Balance as at January 1	**5,534,416**	**5.75**
Granted during the period	585,000	6.92
Forfeited during the period	(267,262)	5.25
Exercised during the period	(296,767)	3.53
Expired during the period	(9,856)	2.99
Balance as at June 30	**5,545,531**	**6.03**

	Six-month period ended June 30, 2023	
	Number of options	**Weighted average exercise price**
Balance as at January 1	**4,778,100**	**4.46**
Granted during the period	-	-
Forfeited during the period	(488,952)	3.96
Exercised during the period	(1,340,340)	2.96
Expired during the period	(37,140)	4.21
Balance as at June 30	**2,911,668**	**5.23**

As at June 30, 2024, 738,048 share options were exercisable, with the weighted average exercise price of USD 4.3 per share. As at June 30, 2023, 504,498 share options were exercisable, with the weighted average exercise price of USD 3.6 per share.

During the six-month period ended June 30, 2024, 296,767 options were exercised under the share-based payment program, out of which 256,591 treasury shares were delivered to employees before June 30, 2024 (the difference is due to cashless exercises and number of options exercised, for which treasury shares were not delivered as at June 30, 2024).

For the remaining 40,176 options exercised during the six-month period ended June 30, 2024, 22,927 shares were pending delivery as of June 30, 2024. Total cash payments received during the six-month period ending June 30, 2024 amounted to USD 165 thousand.

During the six-month period ended June 30, 2023, 1,340,340 options were exercised under the share-based payment program, out of which, 748,971 treasury shares were delivered (the difference of 591,369 options is due to cashless exercises). Cash payments received for the shares delivered to employees before June 30, 2023 amounted to USD 345 thousand.

Total expense related to share-based payment arrangements, which includes cost recognised for the period as well as the cost derecognition when the service condition is not met for the six-month period ended June 30, 2024, amounted to USD 2,121 thousand (USD 970 thousand for the six-month period ended June 30, 2023).

These costs were allocated to “Sales and marketing expenses”, “Research and development expenses” and “General and administrative expenses” lines in the interim condensed consolidated statement of comprehensive income, depending on the roles of the employees.

Executive Chairman of the Board options

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

The vesting conditions for the options are the following:

- 50,000 options with a vesting condition to provide the service continuously for about four years from the service commencement date. The Group’s management expects Mr. Anton Gauffin to fulfill the service condition.
- 375,000 options with a variable vesting period due to the market condition, i.e., condition to meet the Company’s market capitalization milestones. The Group’s management estimated that a total of six years of continuous service from the service commencement date will be required for options to vest.

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

Advisory agreement

Based on the contract executed on September 27, 2021, beginning from January 3, 2022 until October 31, 2024, the advisor shall provide to the Company’s Executive Chairman of the Board consulting services for the consideration payable in options, i.e., options to purchase 206,250 shares in total vesting on a straight-line basis during the period of the agreement. This was concluded to be a transaction with a non-employee, and the Group measures the fair value of the services received and the corresponding increase in equity indirectly, by reference to the fair value of the equity instruments granted when the services are performed.

Options granted to key management personnel

Based on resolutions of the Board of Directors of Huuuge, Inc. 3,145,000 options were granted to key managers of Huuuge, Inc. Group (including 2,345,000 options granted to Huuuge, Inc. Officers) on October 3, 2023. 125,000 options were granted on November 6, 2023. Additionally, 585,000 options were granted on February 6, 2024.

The vesting conditions for the 3,855,000 options in total are the following:

- 1,285,000 options with a vesting condition to provide the service continuously for about four years from the service commencement date.
- 1,285,000 options with a vesting condition to provide the service continuously for about four years from the service commencement date and to meet specified EBITDA and Revenue targets, i.e. performance condition.

- 1,285,000 options with a vesting condition to provide the service continuously and with a variable vesting period due to market condition, i.e. condition to meet the Company's market capitalization milestones.

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

13. Leases

The Group is committed to making payments for leases based on office space rental agreements and car fleet agreements. The Group entities have also concluded contracts regarding low-value office equipment, such as copy and coffee machines.

Lease agreements are usually concluded for definite periods of time that vary according to the class of the underlying asset and specific needs. Some of the contracts include extension or termination options – the Group's management exercises judgment in determining whether these options are reasonably certain to be exercised.

The tables below present the carrying amounts of recognized right-of-use assets and the movements in the six-month period ended June 30, 2024 and in the six-month period ended June 30, 2023:

	Offices	Cars	Total
as at January 1, 2024, Audited	**6,775**	**75**	**6,850**
additions (new leases)	-	-	**-**
transfer to lease receivable	-	-	**-**
remeasurement due to indexation, and other	525	17	**542**
foreign exchange differences on translation	(210)	(2)	**(212)**
depreciation	(1,343)	(32)	**(1,375)**
as at June 30, 2024, Unaudited	**5,747**	**58**	**5,805**

	Offices	Cars	Total
as at January 1, 2023, Audited	**12,859**	**106**	**12,965**
additions (new leases)	-	-	**-**
transfer to lease receivable	(2,764)	-	**(2,764)**
remeasurement due to indexation, and other	736	-	**736**
foreign exchange differences on translation	(63)	8	**(55)**
depreciation	(1,756)	(49)	**(1,805)**
as at June 30, 2023, Unaudited	**9,012**	**65**	**9,077**

The table below presents the carrying amounts of lease liabilities and movements in the six-month period ended June 30, 2024 and in the six-month period ended June 30, 2023:

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
as at January 1, Audited	**10,640**	**13,827**
additions (new leases)	-	-
remeasurement due to indexation, and other	644	736
interest expense on lease liabilities	118	157
lease payments	(2,201)	(2,269)
foreign exchange differences on translation to functional currency	(37)	(273)
foreign exchange differences on translation to USD	(292)	206
as at June 30, Unaudited	**8,872**	**12,384**
long-term	5,163	8,211
short-term	3,709	4,173

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

In the interim condensed consolidated statements of cash flows, the Group classifies:

- cash payments of the capital component of lease liabilities in the six-month period ended June 30, 2024 amounting to USD 2,083 thousand (USD 2,112 thousand in the six-month period ended June 30, 2023) – as part of financing activities (lease repayment),
- cash interest payments on leases in the six-month period ended June 30, 2024 amounting to USD 118 thousand (USD 157 thousand in the six-month period ended June 30, 2023) – as part of financing activities (interest paid),
- leases of low-value assets and short-term leases not included in the measurement of lease liabilities in the six-month period ended June 30, 2024 amounting to USD 83 thousand (USD 55 thousand in the six-month period ended June 30, 2023) – as part of operating activities.

The Group had total cash outflows due to leases of USD 2,284 thousand in the six-month period ended June 30, 2024 and USD 2,324 thousand in the six-month period ended June 30, 2023.

Sublease agreements

The Group entities have entered several arrangements to sublease leased office spaces to a third party while the original lease contract is in effect. The lease receivable from the finance lease amounted to USD 2,876 thousand as at June 30, 2024 (USD 3,047 thousand as at June 30, 2023). As of June 30, 2024, the Group held three short term agreements classified as operating leases. The income from interest received from finance sublease amounted to USD 88 thousand during the six-month period ended June 30, 2024 (USD 49 thousand in the six-month period ended June 30, 2023). The income from the operating lease amounting to USD 369 thousand is presented in the line "Other operating income/(expense), net" in the interim condensed consolidated statement of comprehensive income during the six-month period ended June 30, 2024.

The amount of future contractual payments under operating subleases was USD 249 thousand as of June 30, 2024.

14. Contingencies

Tax contingent liabilities

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

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

Litigation and other legal proceedings

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

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

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

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

- On March 8, 2023, a plaintiff filed a complaint in the Circuit Court of Franklin County Alabama alleging that the Company's social casino games are unlawful gambling under Alabama law. The plaintiff withdrew the original complaint without prejudice for procedural reasons, and, on September 14, 2023, re-filed an amended complaint. As in the original complaint, the lawsuit seeks to recover all amounts paid by Alabama residents to the Company in those games during the period beginning one year before the filing of the lawsuit (i.e. September 14, 2022) until the case is resolved. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On November 1, 2023, the Company filed a motion to dismiss the amended complaint and on December 15, 2023, the Company filed a motion to compel arbitration. The hearing on the motions took place on February 26, 2024. On June 7, 2024, the judge dismissed the Company's motion to compel arbitration, and its motion to dismiss. On July 17, 2024, the Company filed an appeal and a writ of mandamus. As of the date of approval of these interim condensed consolidated financial statements for issue, to the best of the Company's knowledge, the litigation is not expected to have a material impact on the Company's operations, financial condition or cash flows.

- On May 18, 2023, the Company received a demand for arbitration, alleging that the Company's social casino games are unlawful gambling under Kentucky law. The claimant seeks no monetary damages, only declaratory relief. However, if the arbitrator grants the requested declaratory judgments, the claimant may file a civil class action and seek to recover three times the total of all amounts paid by Kentucky residents to the Company in those games during the period beginning five years before the filing of the demand (i.e. May 18, 2018) until the case is resolved. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. However, in order to avoid further legal and arbitration fees, on May 16, 2024 the parties settled the dispute. The amount agreed to be paid under the settlement agreement will not have a material impact on the Company's operations, financial condition or cash flows.

- On June 2, 2023, plaintiffs filed a complaint in the US Federal District Court for the Central District of California, alleging: (a) that the Company's social casino games are unlawful gambling under the laws of California, Illinois, and potentially other US states; and (b) that the Company's display of sale pricing in its social casino games constitutes false advertising under the laws of California, Illinois and potentially other US states. The lawsuit purports to be a nationwide class action, which also includes potential California and Illinois subclasses. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On January 24, 2024, the Company and the plaintiffs have signed an agreement to settle the case in exchange for the distribution to each class member of at least 375 virtual diamonds within the Company's games, and at least an aggregate total of 412.5 million virtual diamond, and USD 1,700 thousand in cash for attorneys' fees, costs of claims administration, and named plaintiff incentive awards. The settlement is subject to the approval by the relevant court, thus there is no certainty that any such settlement will be finally consummated. The Court denied preliminary approval, without prejudice, at the initial hearing that took place on June 6, 2024. The Court scheduled another hearing on preliminary approval on September 12, 2024. If the settlement is approved, the resulting class action waiver will bar false advertising claims nationwide, and illegal gambling claims for residents of California and Illinois, from applicable time periods prior to the settlement. The settlement would not as a legal matter preclude the other matters referred to in this section from proceeding. The Company also believes, but cannot make any assurance, that the settlement would not have impact on the other matters referred to in this section, since they pertain to other issues in different states. The Company created a provision in the amount of USD 1,700 thousand, which, to the best belief of the Company's management, adequately reflects the financial exposure for the Company as of June 30, 2024 and as of the date of approval of these interim condensed consolidated financial statements for issue.

- On June 28, 2023, a claimant filed a demand for arbitration alleging that the Company's social casino games are unlawful gambling under Kentucky law. The claimant seeks to recover treble the total of all amounts paid by Kentucky residents to the Company in those games during the period beginning five years before the filing of the demand (i.e. June 28, 2018) until the case is resolved. An arbitrator has been changed in the case, and a new arbitrator was appointed on April 15, 2024. On June 24, 2024, the Company filed a dispositive motion. On July 15, 2024, the claimant filed a response to the motion. The Company filed a reply on July 29, 2024. The hearing on the dispositive motion was held on August 15, 2024. The parties are awaiting the arbitrator's decision on the motion. The Company does not agree with the allegations and requests for relief made in the demand and believes that there are meritorious legal and factual arguments supporting the Company's position. As of the date of approval of these interim condensed consolidated financial statements for issue, to the best of the Company's knowledge, the arbitration is not expected to have a material impact on the Company's operations, financial condition or cash flows.

- On July 25, 2023, a claimant filed a demand for arbitration alleging that the Company's social casino games are unlawful gambling under Ohio law. The claimant seeks to recover all amounts he paid to the Company and all amounts paid by Ohio residents in those games during the period beginning two years before the filing of the demand (ie. July 25, 2021) until the case is resolved. The Company filed its dispositive motion on February 26, 2024. On June 6, 2024, the arbitrator issued a decision on threshold issues (such as choice of law) that was beneficial for the Company. On July 15, 2024, the claimant re-filed his claims under California law. The Company filed its answer on July 29, 2024. The arbitrator issued a briefing schedule to allow the parties to address additional threshold issues. The Company's opening brief is due September 30, 2024. The Company does not agree with the allegations and requests for relief made in the demand and believes that there are meritorious legal and factual arguments supporting the Company's position. As of the date of approval of these interim condensed consolidated financial statements for issue, to the best of the Company's knowledge, the arbitration is not expected to have a material impact on the Company's operations, financial condition or cash flows.

- On July 25, 2023, a claimant filed a demand for arbitration alleging that the Company's social casino games are unlawful gambling under Massachusetts law. The claimant seeks to recover all amounts he paid to the Company and treble the total of all amounts paid by Massachusetts residents in those games during the period beginning three years before the filing of the demands (ie. July 25, 2020) until the case is resolved. The Company does not agree with the allegations and requests for relief made in the demand and believes that there are meritorious legal and factual arguments supporting the Company's position. After a successful result from the arbitrator on the Company's motion on threshold issues, the parties settled the dispute on August 2, 2024. The amount agreed to be paid under the settlement agreement will not have a material impact on the Company's operations, financial condition or cash flows.

- On November 13, 2023, a plaintiff filed a complaint in the Circuit Court of Coffee County Tennessee alleging that the Company's social casino games are unlawful gambling under Tennessee law. The lawsuit seeks to recover all amounts paid by Tennessee residents to the Company in those games during the period beginning one year before the filing of the lawsuit (ie. November 13, 2022) until the case is resolved. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. On December 21, 2023 the Company removed the case to the US District Court for the Eastern District of Tennessee. On January 22, 2024 plaintiff filed an amended complaint substituting Huuuge Global Limited as defendant in place of the Company, and a motion to remand the case back to the state circuit court. On February 9, 2024 the Company opposed the plaintiff's motion to remand and further, on March 29, 2024 the Company submitted a reply to support its motion to dismiss filed on February 5, 2024. As of the date of approval of these interim condensed separate financial statements for issue, the parties are awaiting the judge's decision on remand and the motion to dismiss. As of the date of approval of these interim condensed consolidated financial statements for issue, to the best of the Company's knowledge, the litigation is not expected to have a material impact on the Company's operations, financial condition or cash flows.

- On August 22, 2024, a plaintiff filed a complaint in the United States District Court for the Western District of Kentucky Owensboro Division alleging that the Company's social casino games are unlawful gambling under Kentucky law. The lawsuit seeks to recover treble the total of all amounts paid by Kentucky residents to the Company in those games during the period beginning five years before the filing of the demand (i.e. August 22, 2019) until the case is resolved. The Company does not agree with the allegations and requests for relief made in the complaint and believes that there are meritorious legal and factual arguments supporting the Company's position. As of the date of approval of these interim condensed consolidated financial statements for issue, to the best of the Company's knowledge, the litigation is not expected to have a material impact on the Company's operations, financial condition or cash flows.

Except for the abovementioned proceedings, neither the Company nor any of its subsidiaries were, as at June 30, 2024, or as at the date of approval of these interim condensed consolidated financial statements for issue, a party to any significant court or arbitration proceedings or before any public authority.

15. Pledges, collaterals and other off-balance sheet positions

During the reporting periods and till the date of issuing these interim condensed consolidated financial statements neither the Group nor individual subsidiaries entered in a pledge or collateral agreement on the Group's assets.

Huuuge Global Ltd and Huuuge Games Sp. z o.o. have entered into two agreements for the purpose of conducting forward and derivative transactions in the future. In one agreement, entities involved are considered joint and several debtors for planned transactions while in the second agreement, one entity guarantees the obligation of the other. The maximum amount of the contingency obligation cannot exceed USD 23,251 thousand for both parties.

16. Related party transactions

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

On March 7, 2023, loan agreements were signed between subsidiaries wholly owned by Huuuge Inc. and the two members of the Group Executive Management team. Based on the agreements, the two members of the Group Executive Management team received the loans in the total amount equivalent to USD 213 thousand, both for a six-month period at a market interest rate, which have been fully repaid as at December 31, 2023.

There is no ultimate controlling party.

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

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

Board of Directors of Huuuge, Inc., Officers and Global Management	**Six-month period ended June 30, 2024 Unaudited**	**Six-month period ended June 30, 2023 Unaudited**
Base salaries	2,218	2,264
Bonuses and compensation based on the Group's financial result for the period	-	709
Share-based payments	1,628	557
Total	**3,846**	**3,530**

The amounts presented above include compensation of members of the Board of Directors of Huuuge, Inc., Officers and Global Management team members. The amounts for the six-month period ended June 30, 2024 and June 30, 2023 reflect the changes in composition of the teams during those periods.

On March 7, 2023, an agreement was concluded between the Company and Mr. Rod Cousens governing his board service and executive service as co-Chief Executive Officer of the Company during the current board term, providing for a 12-month early notice period for termination. This agreement terminated Mr. Rod Cousens's executive service by mutual agreement, the Company confirmed Mr. Cousens's entitlement to payment in lieu of advance notice; this payment is included in the compensation of key management personnel presented above.

Huuuge, Inc. interim condensed consolidated financial statements for the six-month period ended June 30, 2024 prepared in accordance with the IAS 34 Interim Financial Reporting as adopted by the European Union. All amounts in tables presented in thousand USD, except where stated otherwise.

Generally, share-based payment remuneration includes cost recognized during the period in accordance with the vesting schedule, as well as cost derecognition when a member of the executive management team ends the tenure with the Company, i.e., when the service condition is not met. During the six-month period ended June 30, 2024, the cost recognized amounted to USD 1,743 thousand and cost derecognized amounted to USD 115 thousand (USD 557 thousand of cost recognized and there was no cost reversal during the six-month period ended June 30, 2023).

During the six-month period ended June 30, 2024 members of the Board of Directors, Officers and Global Management team exercised 62,859 options (568,198 options during the six-month period ended June 30, 2023).

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

Generally, the non-executive directors are remunerated with a fixed annual salary and an additional salary for holding a position of president of the Audit Committee or the Remuneration and Nomination Committee or being a member of the Audit Committee or the Remuneration and Nomination. Apart from the above, in the year 2023, non-executive directors were remunerated for being members of the special committee for the process of reviewing the strategic options.

18. Unusual events

Impact of the situation in Israel on our business

Huuuge's office in Tel Aviv, Israel accounts for around 8% of the Group's total headcount, which includes senior management of our Huuuge Casino Studio. On October 7, 2023, Hamas militants conducted a series of coordinated attacks from the Gaza Strip against the Israeli people, resulting in the outbreak of war between the State of Israel and Hamas. Moreover, Israel is engaged in ongoing hostilities with Hezbollah in Lebanon. Some of our employees in Israel in certain emergency circumstances may be called to immediate and unlimited active duty. As a result of Israel's
October 7, 2023 declaration of a state of war and activation of Article 8 of the Reserve Service Law (2008), several of our employees in Israel were activated for military duty. Currently, none of Huuuge's employees have been called up for military service. Any major escalation in hostilities in the region could result in a portion of our employees and service providers in Israel being called up to perform military duty for an extended period. Contingency plans are in place to prevent disruptions to business, including Israeli teams working from home and one employee temporarily moved outside of the country. Our technology infrastructure is critical to supporting the performance of our games, ensuring uptime and redundancy. All of our games operate on cloud, maintained through data centers and availability zones in the US and the EU.

The Company is actively monitoring the situation and has established an internal task force developing and implementing business continuity measures and ensuring the core competences are covered. We have no Israel-based personnel responsible for infrastructure. As of the date of these interim condensed consolidated financial statements, the war in Israel has no significant impact on our business and financial results.

19. Subsequent events

After June 30, 2024 and up to the date of approval of these interim condensed consolidated financial statements for issue no significant events except the following have occurred:

Authorised capital decrease

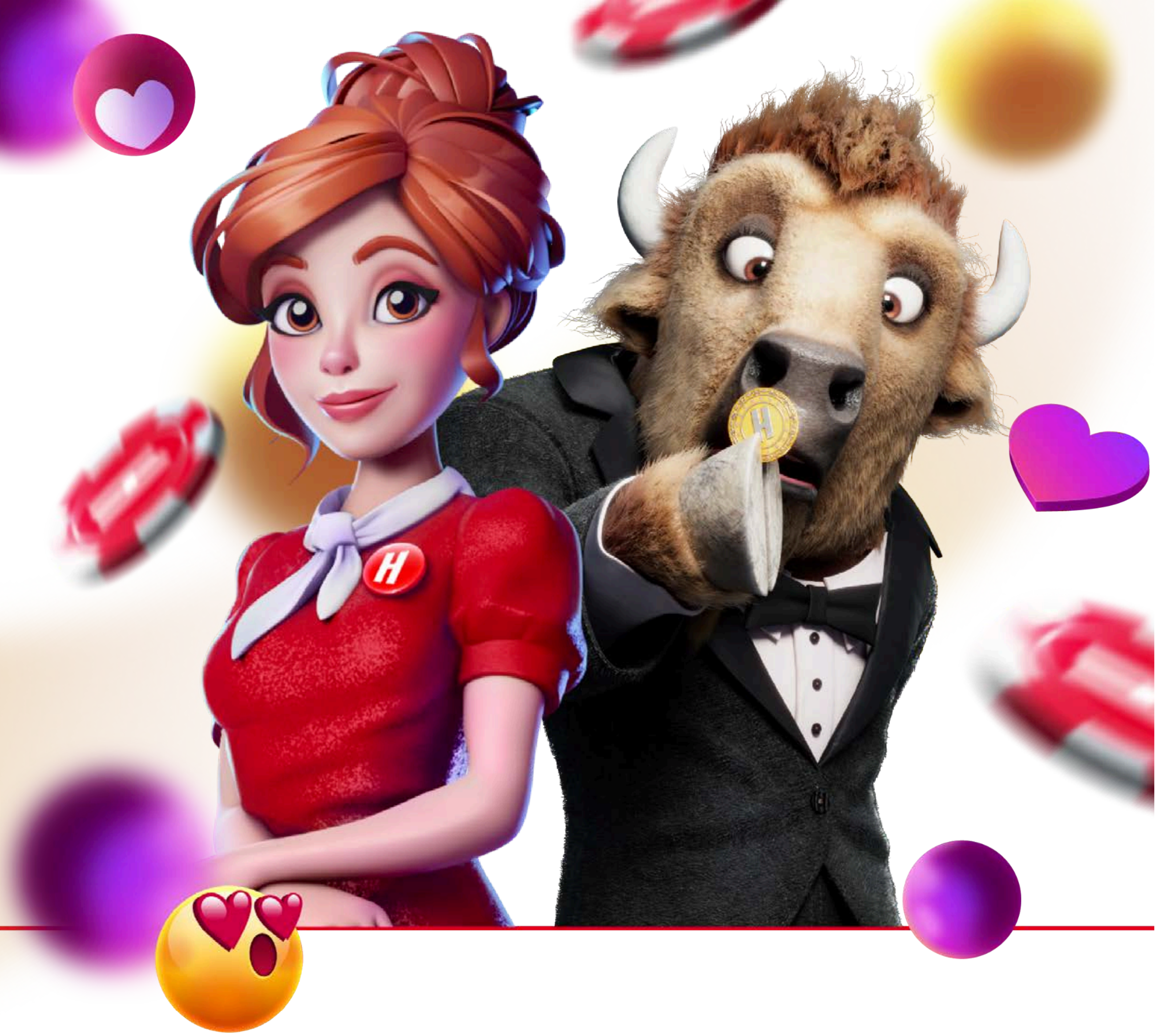
As reported in the current report no. 35/2024 dated July 3, 2024, the authorised capital of the Company was decreased to 85,300,474 shares. For details, please, refer to Note 11 *Share capital.*

Investment in Empire Games Ltd.

On August 14, 2024, The Company concluded: (i) a simple agreement for future equity (the "SAFE") with Empire Games Ltd., with its seat in London, England ("Empire Games") for the total amount of up to USD 1,500 thousand to be paid in tranches. As of the date of approval of these interim condensed consolidated financial statements for issue, the Company made the payment of the first tranche in the amount of USD 500 thousand. The payment of the second and the third tranches is at the sole discretion of the Company. In addition, the Company concluded a call option deed agreement (the "Call Option Deed") with

Empire Games and its shareholders. In accordance with the provisions of the Call Option Deed, the Company is granted the right (not an obligation) to acquire the entire issued share capital of Empire Games (existing or future) together with all rights attached thereto. The Company is entitled to exercise the Call Option at any time following the investment of the second tranche under SAFE, and ending on the date falling 18 months following the date of the investment of the second tranche. The price of the call option amounts to USD 650 thousand. The exercise of the call option would result in the additional signing bonus and earn-out bonus conditional on achievement of pre-agreed performance metrics.

Electronically signed
Wojciech Wronowski,
Officer of Huuuge, Inc., CEO
September 5, 2024



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