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HUUUGE, INC., COMPLETES Q1 2022 WITH USD 84M REVENUES AND DOUBLE DIGIT ADJUSTED EBITDA GROWTH OF 38.5%

Huuuge, Inc., a global game developer and publisher, has published its financial results for Q1 2022.

- Adjusted EBITDA increased to USD 14.4m, +38.5% yoy, and adjusted net profit was USD 10m, which is 137.9% higher yoy.
- The growth of adjusted EBITDA was achieved despite the Group's lower revenue, which amounted to USD 84m (-12.2% yoy). The decline was impacted, among other things, by the decrease in revenue from core franchises (*Huuuge Casino* and *Billionaire Casino*) and from titles for which support ended in 2021.
- The Company started working on growing *Traffic Puzzle* into a multi-product franchise, following the playbook employed when building *Billionaire Casino*.
- Earlier this week the Company announced a share buyback program expansion from 2.5m shares to 6.5m shares. The decision was made based on the progress of the SBB to date, current market conditions, the Company's strong cash generating position, and its estimated medium to long-term needs for shares for the satisfaction of ESOP requirements. Other terms of the SBB remained unchanged, including the maximum amount allocated of PLN 100m.
- In Q1 2022 Huuuge added *Time Master*, a hybrid social casino game, to its growing portfolio of free-to-play games. Huuuge continues to invest in building and publishing new productions.

According to **Anton Gauffin, founder and co-CEO of Huuuge**: *"Macro environment has been very challenging for most markets and industries. Sensor Tower reported a drop of consumer spending on mobile games in Q1 by 7.1% YoY and for the time being there is a lot of turbulence going-on on the market. During bear markets companies need to adjust their playbooks as the whole sector is shifting its pricing model from growth to fundamentals. With our core games this means driving cash generation and harvesting profits. At the same time we seek significant growth from Traffic Puzzle and publishing activity. We continue to be optimistic toward the future and pursue our strategy. In the long-term, we plan to continue seeking potential innovations in games, particularly in Web3 and blockchain technologies - we are well equipped in knowledge and skills to gain competitive advantage in these exciting and rising segments."*

Rod Cousens, co-CEO of Huuuge, added: *"Our core franchises are able to navigate market turbulence via responsible cost management and continue performing at high margins. Our core titles are also very cash generative. We believe the current market headwinds will result in a structural shift that should bring better revenues and margins in the longer term as we currently position the business for sustained future growth. We see potential in Traffic Puzzle and in our Publishing arm."*



KEY FINANCIAL FIGURES

Selected financial data (USD million)	Q1 2022	Q1 2021	Change
Revenue	84.0	95.7	-12.2%
Adjusted EBITDA*	14.4	10.4	+38.5%
Adjusted EBITDA margin	17.1%	10.9%	+6.2 p.p.
Operating result	10.7	6.5	+64.1%
Net result	8.9	-37.5	-
Adjusted net result**	10.0	4.2	+137.9%

* Adjusted EBITDA is EBITDA adjusted for non-recurring events that are not related to the core activity of the Group and share-based payment expense.

** Adjusted net result defined as the net result for the year adjusted for non-recurring events that are not related to the core activity of the Group, share-based payment expense and financial expenses related to the revaluation of the liability related to Series C preferred shares. Along with conversion of Series C shares into ordinary shares immediately before the public offering conducted in the 1st quarter, Series C shares will no longer be reported as financial liability going forward.

The core franchises (*Huuuge Casino* and *Billionaire Casino*) generated revenue of USD 73.4m Q1 2022 (-12.3% yoy), the decline resulted mainly from lower DAU, which is a reflection of broader social casino genre trend. Core franchises ARPDau increased by 11% YoY and core franchises ARPPU reached USD 41.4 (+2.8% yoy).

New franchises represented 12% of total revenues in Q1 2022. *Traffic Puzzle*, the main game in new franchises, generated revenues of USD 8.6m in 1Q 2022, up 13% yoy. In Q1 2022, the game had more than 205k unique users, while in April it reached over 240k DAU. Huuuge continues to work on product features and after reaching expected KPIs improvements the marketing spend will be scaled beyond current levels.



KEY PERFORMANCE INDICATORS

Selected KPIs	Q1 2022	Q1 2021	Change
DAU [thousands of users]	701.6	888.8	-21.1%
DPU [thousands of users]	24.9	28.6	-12.9%
ARPPU at the Group level [USD]	1.3	1.2	+11.8%
ARPPU—core franchises [USD]	41.4	40.3	+2.8%
Monthly conversion from player to payer %—core franchises	8.6%	8.3%	+0.3 p.p.

According to **Grzegorz Kania, CFO of HUUUGE**: *“Our adjusted EBITDA grew by 38.5%, to USD 14.4m despite lower revenue. This was thanks to the continued focus on profitability of our core titles. Increasing profitability of this category allows us to generate better operating cash flow and explore new growth initiatives. We are also happy that in March 2022 the Warsaw Stock Exchange lifted the CAT3 restrictions on trading in our shares. This enabled all investors to trade in our shares without any restrictions, which is excellent news.”*

CONTACTS FOR MEDIA:

Huuuge

Marta Andreasik

PR Manager

+48 538 519 789

marta.andreasik@huuugegames.com

M+G

Magda Kołodziejczyk

+48 501 16 88 07

magda.kolodziejczyk@mplusg.com.pl

More information at <https://ir.huuugegames.com/>

ABOUT HUUUGE

Huuuge is a global game developer and publisher, with a mission to empower billions of people to play together, and a vision to transform mobile gaming into a massively social experience.

Huuuge games provide entertainment every month to millions of players from across the globe, and its games are available in 17 languages. HUUUGE employs c. 600 people at 9 offices around the world. The Company's shares have been listed on the Warsaw Stock Exchange since February 2021.