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HUUUGE CONCLUDES REVIEW OF STRATEGIC OPTIONS & ANNOUNCES PLANS FOR LARGE SCALE SHARE BUYBACK PROGRAM

Huuuge (WSE:HUG), a global developer and publisher of free-to-play mobile games, has concluded its recent review of strategic options for the future of the Company and announces plans for a large scale share buyback program.

US registered Huuuge has offices in the US, UK, Poland, Israel, the Netherlands, Cyprus and Finland. Huuuge is best known for its popular Huuuge Casino and Billionaire Casino social casino franchises. In 2021 Huuuge made its debut on the Warsaw Stock Exchange, which was the largest listing by a mobile gaming company in Europe.

The company's board announced today that it has adopted the recommendation of the special committee of the board and has decided to conclude the Strategic Options Review process, which commenced in August. This process, led by the special committee of the board, and assisted by external professional advisors, involved a deep evaluation of the company, its market position, and the various options available to Huuuge moving forward, with a view to maximizing value for shareholders. The process provided the board with valuable feedback and input from all levels of the organization, as well as from several external stakeholders. Some of these insights will be actioned in the coming weeks, while others will be reflected in long-term plans.

As a result of this deliberative process, the Board has concluded that the optimal strategy for the company at this time, is to remain a publicly listed company on the Warsaw Stock Exchange. The Board also determined that given current market conditions, the trading price of Huuuge shares, and its confidence in the future success of the company, along with the Company's significant cash reserves, this is an opportune time to return value to the stockholders by offering them the opportunity to sell Huuuge stock back to the company.

The Board has therefore announced plans to allocate up to USD 150m for the purposes of a share buy back, while retaining a sufficient cash reserve for operational needs, and future publishing and M&A opportunities. The buyback, will be conducted via a time limited Invitation to Sell (ITS) Huuuge shares. Details of the program, including the ITS price, timeline and relevant information regarding participation in the ITS will be announced to stockholders during Q1 2023. It is the intention of the board to conclude the buyback program before the FY2022 closed period commences. This represents the company's current plan, and is subject to final determinations by the board regarding timing and pricing.

As per the recently published Current Report (CR 3/2023), Huuuge will recognize an impairment in the book value of the IP assets related to Traffic Puzzle of USD 26.1m. The above figure

constitutes an estimate and may be subject to change and the final impairment charge will be included in the FY 2022 consolidated financial statements of the Group. The impairment will be considered a one-off and not impact the adjusted EBITDA result. The game will remain live and available in the app stores and will continue to generate revenue. However, there are no plans to incur any further material UA expenses for the title at this stage. The Traffic Puzzle studio has been sunset and some of its employees will form a new pod focused on building new games. Given the above, HUUUGE expects Traffic Puzzle to have a positive contribution to its EBITDA and bottom line in 2023.

As announced in a recent Current Report (3/2023), based on management accounts, the adjusted EBITDA for 2022 amounted to USD 82m (preliminary unaudited numbers), which represents a 28% YoY growth rate. The HUUUGE cash balance as of 31st Dec 2022 amounted to USD 222m. These numbers confirm the longevity of the core HUUUGE franchises and prove that the recently implemented 'harvesting' strategy of focusing on efficiency, profitability and cash generation has been successful. The HUUUGE team continues to execute this strategy in 2023.

With the strategic options review now concluded, management is working on a company-wide roadmap that will help the company to improve overall performance as a business. As part of this plan, the current operating structure will be considered with a view to increasing efficiency and strengthening productivity by flattening hierarchies, merging teams where appropriate and re-focusing on agility - all with the view to ensuring HUUUGE is the optimal environment to create fun and popular games. To achieve this goal, several internal 'pods' will be created, with each one being tasked with building new games. The first generation of pods will comprise mostly of existing employees, with one being formed around some of the members of the former Traffic Puzzle Studio.

According to Anton Gauffin, Founder and Co-CEO of HUUUGE: *"The conclusion of our Strategic Options Review marks the end of a period of self-reflection within HUUUGE and the beginning of a new chapter dedicated to creativity, innovation and agility.*

We are confident in the long term success of HUUUGE. Our profitability allows us to invest in our future and also to think strategically how to offer continued value for our shareholders.

Under current market conditions we are proud to be in a position where we can offer significant liquidity of up to \$150M to our shareholders and further drive per share value by buying back stock. We will communicate the full details of our plan soon.

While there are still a number of challenging factors affecting the global gaming industry, I am confident that by returning to the fundamentals of what made us successful and refocusing on making fun, widely appealing games, we will maximise our ability to deliver an outlook of growth and success".



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Play Together.

Huuuge Games is a global game developer and publisher on a mission to build the world's most social real-time, free-to-play mobile gaming platform. On our way to become the global leader in real-time free-to-play casual gaming, we aim to redefine the experience to give maximum joy and fun to players all around the world.

Huuuge's games provide entertainment every month to millions of players from 195 countries and are available in 17 languages. Huuuge shares have been listed on the Warsaw Stock Exchange since February 2021.