

eReport 13/2021

Acquisition of Traffic Puzzle game

27-04-2021

Huuuge, Inc., (the “**Issuer**”) hereby reports that on April 27, 2021, Huuuge Global Ltd. with its registered office in Larnaca, Cyprus (“**Huuuge Global**”), a wholly owned subsidiary of the Issuer entered into the Asset Purchase Agreement (“**APA**”) under which it acquired from PICADILLA GAMES Adziński, Porzucek, Czerenkiewicz sp. k. with its registered office in Wrocław, Poland (“**Picadilla**”) the mobile game Traffic Puzzle together with the related rights and assets, for the amount of USD 38,900,000.00 (“**Purchase Price**”).

The Purchase Price will be paid to Picadilla in the following manner:

- a) USD 9,500,000.00 within 10 business days from the signing of the APA;
- b) USD 25,000,000.00 within 15 business days from the completion of the handover of the acquired assets;
- c) USD 4,400,000.00 within 15 business days from the first anniversary of the completion of the handover of the acquired assets.

Together with the APA, Huuuge Global and Picadilla concluded a development agreement relating to the maintenance, support and development of Traffic Puzzle mobile game, which was concluded from the period until the completion of the handover of the acquired assets (in any case no longer than 9 months from the date of signing of the APA).

In addition, Huuuge Global and Picadilla entered into a service agreement under which Picadilla will provide support and advice and share knowledge regarding the Traffic Puzzle game for a period of 12 months commencing on the next day following the completion of the handover of acquired assets. Under the service agreement, Picadilla will receive USD 100,000.00.

The current Game Publishing Agreement between Huuuge Global and Picadilla has been terminated.

The acquisition of Traffic Puzzle marks the first significant milestone for the Issuers growth and M&A strategy, as it expands its reach into the high-growth casual games segment. Having Traffic Puzzle in its portfolio will also enable the Issuer to accelerate its revenue diversification and that game will quickly become the Issuer’s third most popular game after Huuuge Casino and Billionaire Casino.

At the same time, the Issuer hereby informs that pursuant to Art. 17.4 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the “**MAR**”), on March 11, 2021, it has decided to delay the disclosure of information to the public concerning the signing of a letter of intent between Huuuge Global and Picadilla on March 11, 2021 related to the potential acquisition of Picadilla’s assets by Huuuge Global. The Issuer’s decision arose from the fact that immediate disclosure was likely to prejudice the legitimate interests of the Issuer and its group by the negative impact on the Transaction and the potentially being misleading due to possible

misinterpretation of the intentions of the Issuer and its group in the negotiations. Acting based on Art. 17.4 of the MAR, the Issuer will provide information to the Polish Financial Supervision Authority on the delay of disclosure of inside information to the public together with written explanations.

Legal basis: Art. 17 section 1 and 4 of MAR