

HUUUGE

FY 2023

PRESENTATION

MARCH 2024



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TODAY'S PRESENTERS



Wojciech Wronowski
Chief Executive Officer



Marek Chwałek
Treasurer, EVP Finance



HIGHLIGHTS



2023 results driven by our profit-oriented strategy

FY 23 Adj. EBITDA reached \$108m and Net OCF \$82m

Consistently delivering high profitability and strong cash generation

\$70m Share Buyback announced on 14th March 2024

Second SBB in 9 months with the combined total value of up to \$220m

Core franchises: main KPIs stabilize

Marketing spend to increase in 2024

Direct-To-Consumer channel triples revenue in 2023

DTC responsible for 8% of sales in Q4

\$1.81
ARPDAU

vs. **\$1.43** 2022

\$71m
REVENUE

vs. **\$72m** Q3 '23

\$26m
Adj. EBITDA

vs. **\$27m** Q3 '23

BUSINESS UPDATE

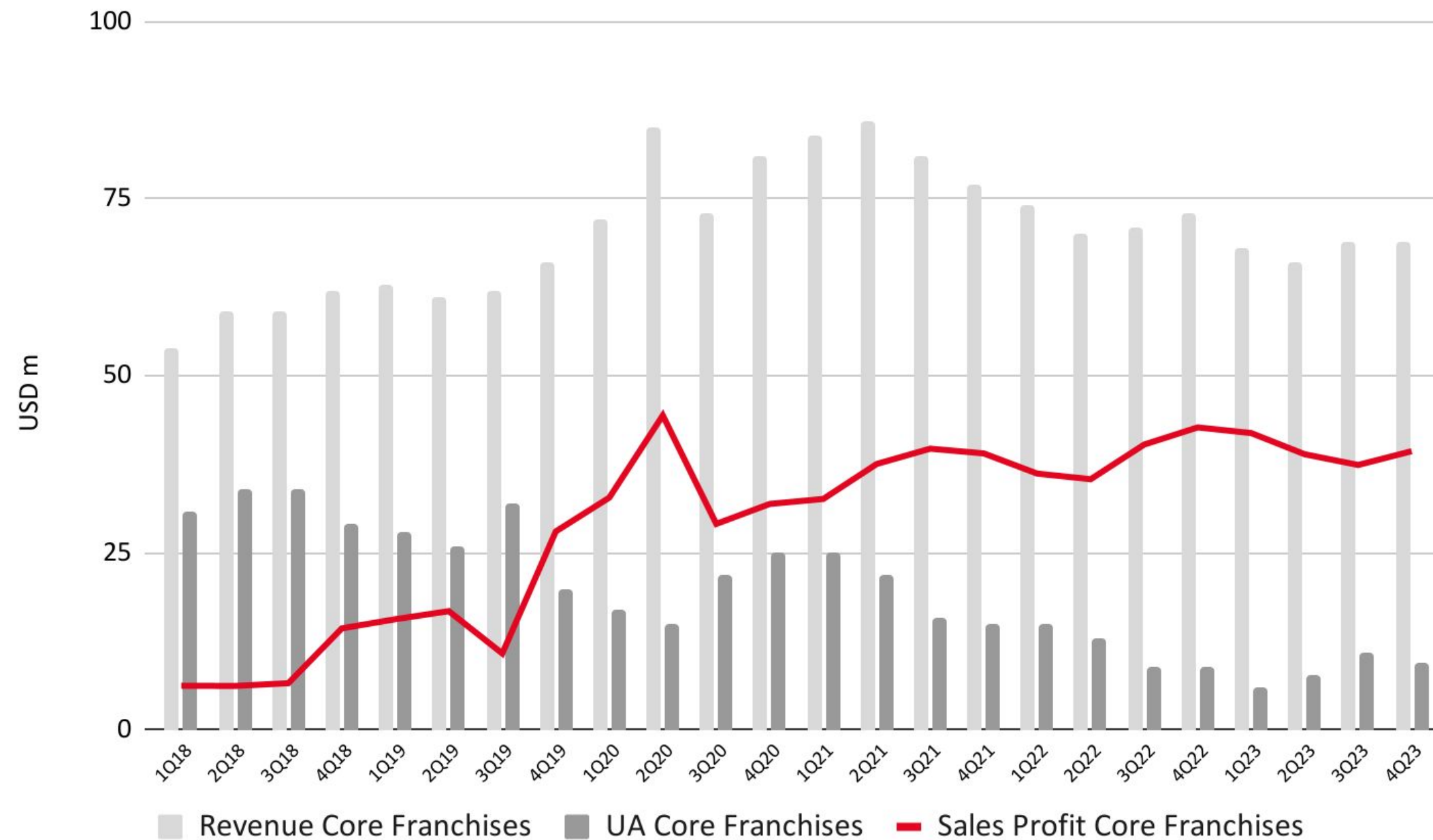
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CORE FRANCHISES



Q4 2023 Revenue remained flat QoQ while Sales Profit slightly improved



- Core franchises revenue in Q4 2023 remained flat QoQ and has been largely **stable in the last four quarters**.
- UA spend for core franchises in FY2023 decreased by 22% YoY, while in Q4 it was 15% lower QoQ. **UA spend in Q1 2024 should be higher comparing to Q4 2023** as we continue to optimize our marketing mix and expected paybacks remain within our internal targets
- **Sales profit** for Core franchises in Q4 2023 grew by **5% QoQ**, with fluctuations throughout the year largely following marketing spend.

CORE FRANCHISES: MAIN KPIs STABILIZE



Our core games stabilized in 2023: operating KPIs flattened. Stabilization of DPU over the last three quarters

Core franchises' main KPIs stabilize

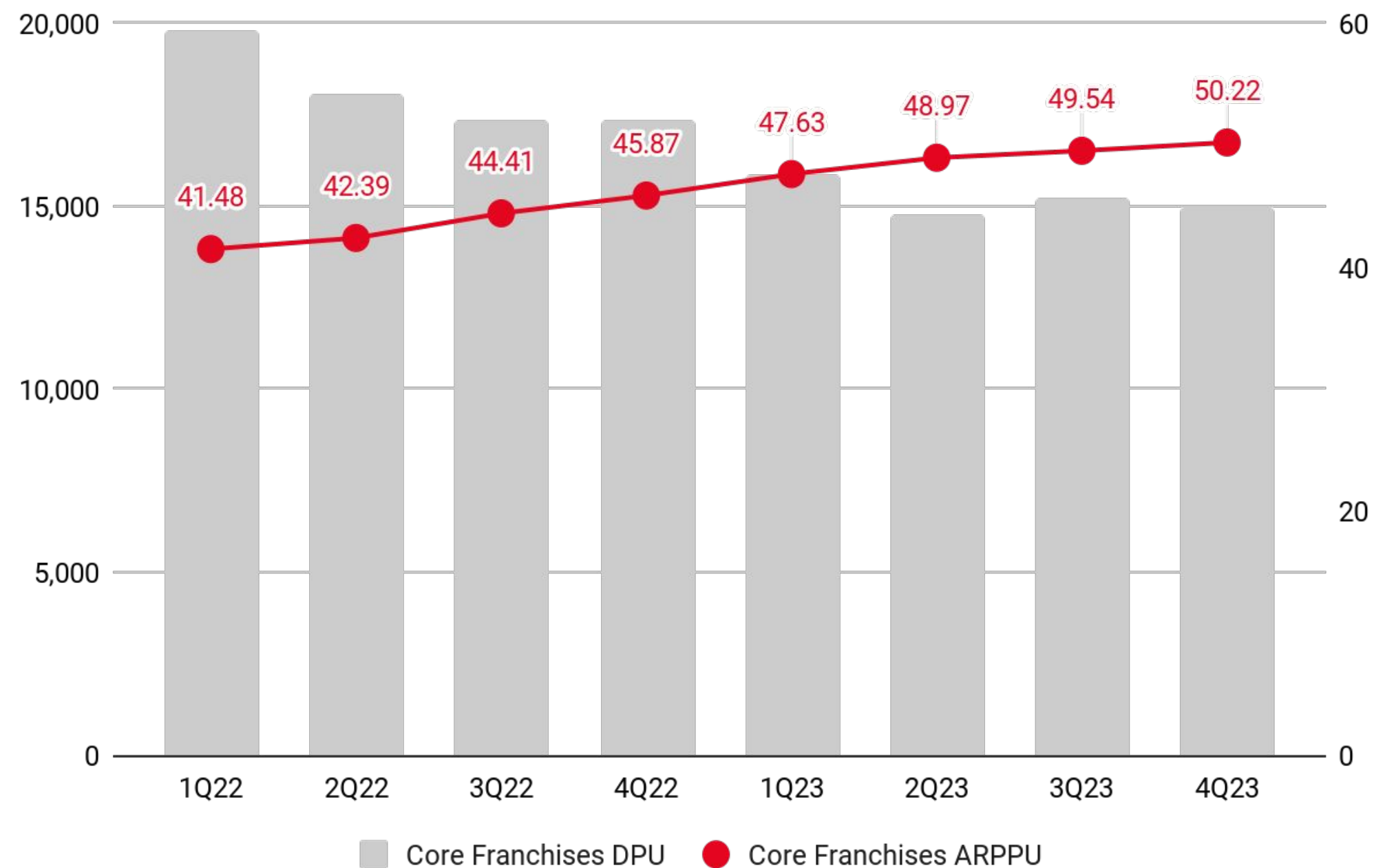
Q4 2023 DPU -1% QoQ, ARPPU +1% QoQ.

Player base trend reversal

Stabilization of our player base is a result of increased marketing spend. Average monthly installs have increased by 68% since the beginning of the year.

Improving engagement & monetization

Loyalty program & positive impact of the economy upgrade (rolled out in Q3 2023).

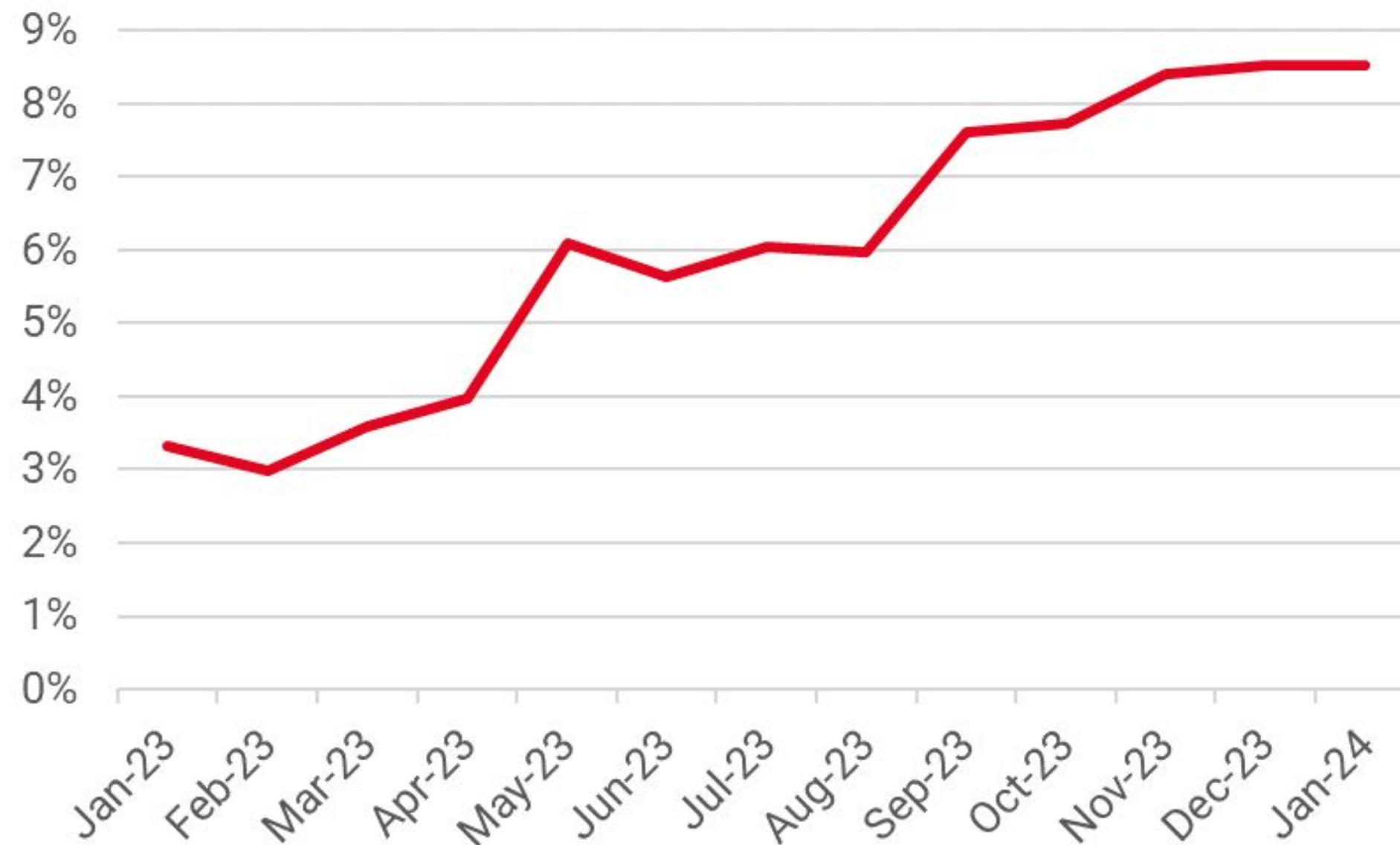


CORE FRANCHISES: DIRECT-TO-CONSUMER CHANNEL GROWTH



DTC channel revenue growth tripled from USD 5.6m in 2022 to USD 16.5m in 2023

Direct-To-Consumer (Webshop) Revenue as % of Total Revenue



- DTC revenue reached over 8% of the total revenue in Q4 2023 with the ratio improving further to almost 9% in the most recent months.
- We **continue to invest further in this channel** and we expect more long-term upside, with **DTC as % of revenue expected to reach low teens in 2024.**
- We are exploring new third party solutions in order to **improve our offering in terms of UX, geographical coverage, number of payment providers and login systems.** We are in the testing phase and will report more on progress in due course.

HUUUGE PODS

Multiplayer multiplatform games for worldwide audiences



- **Four Pods working on new games** for new audiences. We need to acknowledge however that it is a **multi-year plan and we are at an early stage.**
- We expect to **test multiple games** (tech / soft launch) in the coming years.
- We are happy with the current progress, two games are being tested at the moment.
- When any of these products reach commercial viability, we will prudently increase marketing investments to support these games.



FINANCIAL UPDATE

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HIGHLY CASH GENERATIVE BUSINESS

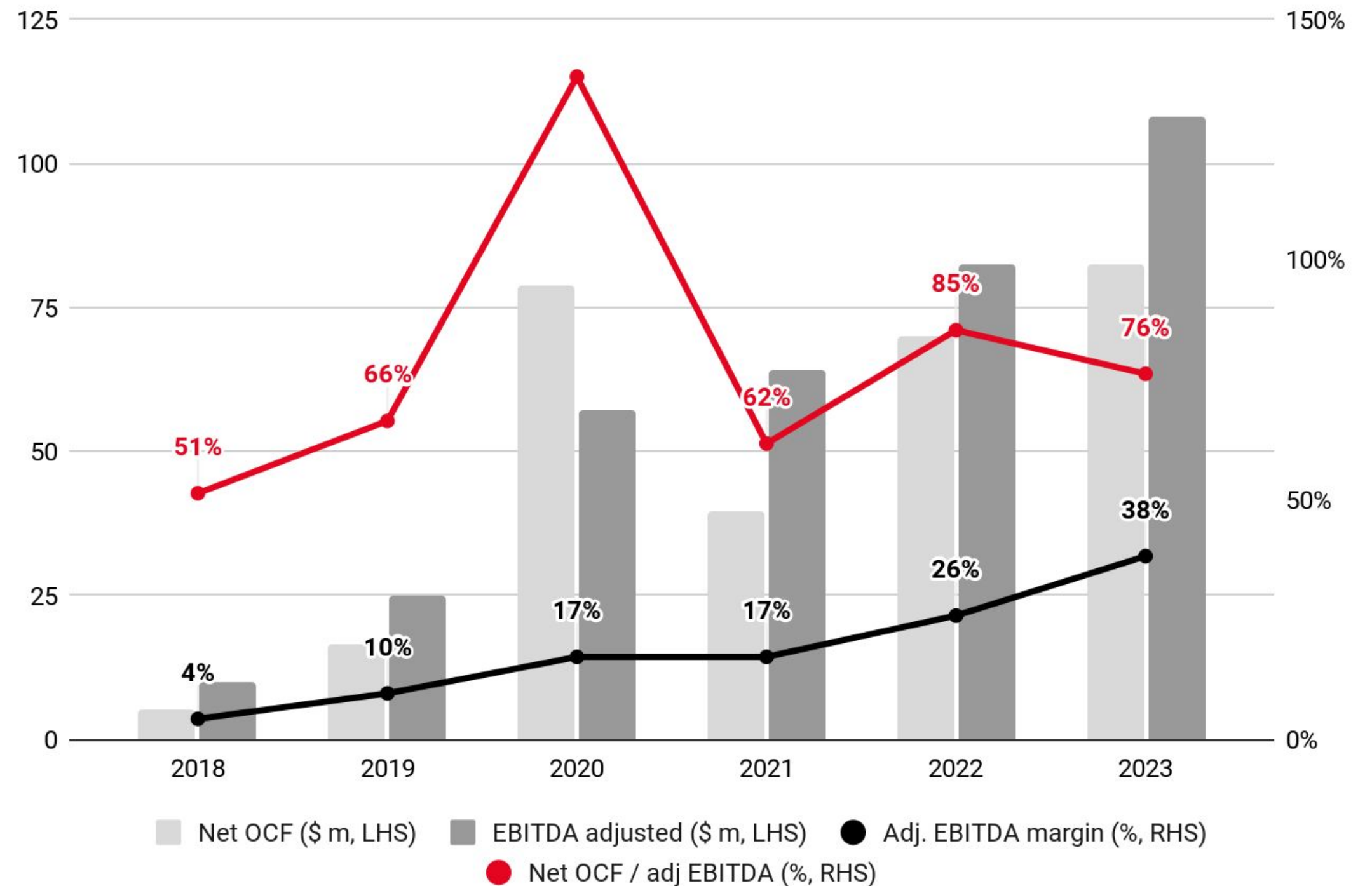


We are proud to report that in 2023 we delivered **adjusted EBITDA of \$108m and net operating cash flow of \$82.4m**

We recognize that we are one of the most cash generative businesses in the games industry (as measured by Net OCF to adjusted EBITDA conversion)

This positions us well to proceed with another share buyback of **\$70 million**

Despite returning up to **\$220 million** to our shareholders **within 9 months**, we will maintain a strong cash balance, allowing us to pursue inorganic growth opportunities



FINANCIAL PERFORMANCE



01 Overall 2023 revenue decline was driven mostly by Traffic Puzzle revenue decrease (game no longer supported). Q4 2023 revenue remained stable QoQ.

02 While the full year UA expenses were significantly lower YoY, we were ramping up spend throughout the year as we continue to optimize paybacks.

03 The 2023 savings in R&D and G&A expenses are primarily due to a lower headcount, a result of restructuring carried out in Q1 2023.

04 Effective tax rate in 2023 at 17% (vs 18% in 2022).

05 2023 EBITDA growth driven mainly by OPEX and UA spend optimization.

\$ m	12M 23	12M 22	YoY	Q4 23	Q3 23	QoQ
Core Franchises	272.2	288.1	-5.5%	69.3	68.9	0.6%
Traffic Puzzle	9.3	26.2	-64.6%	1.7	1.8	-7.8%
Other	1.9	4.4	-55.5%	0.4	0.5	-21.0%
01 Revenue	283.4	318.6	-11.0%	71.3	71.2	0.2%
Gross profit/(loss) on sales	200.9	221.7	-9.4%	50.8	50.6	0.5%
02 Sales and marketing expenses	(50.2)	(88.8)	-43.5%	(14.5)	(15.3)	-5.8%
Research and development expenses	(22.0)	(29.6)	-25.6%	(4.5)	(4.8)	-6.4%
03 General and administrative expenses	(34.5)	(39.6)	-13.0%	(8.9)	(7.6)	17.0%
Other operating income/(expense), net	(0.2)	1.0	-118.3%	(0.3)	(0.2)	22.5%
Operating result	94.1	38.6	143.7%	22.6	22.5	0.4%
Finance income/expense, net	4.7	0.4	-	0.7	0.4	78%
Profit/(loss) before tax	98.8	39.1	152.9%	23.4	22.9	1.8%
04 Income tax	(16.6)	(7.0)	135.4%	(3.9)	(4.3)	-8.2%
Net result for the period	82.2	32.0	156.7%	19.4	18.7	4.1%
05 Adjusted EBITDA	108.2	82.3	31.5%	26.1	27.0	-3.4%

BALANCE SHEET



- 01** Includes mainly intangible assets and office leases.
- 02** Primarily cash and cash equivalents (\$152.1m, or 69% of current assets as of Dec 31, 2023), **strong net cash position even after the \$150m SBB settled in Q3 2023.**
- 03** Decline in total equity driven mostly by the Share Buyback partially offset by net profit generated in FY'23.

\$ m	December 31, 2023	December 31, 2022
01 Non-current assets	29.8	37.4
02 Current assets	187.6	248.9
Total assets	217.4	286.3
Total equity	177.1	240.7
Non-current liabilities	7.2	10.0
Current liabilities	33.1	35.6
03 Total equity and liabilities	217.4	286.3

CASH FLOWS



- 01** Pre-tax profit increased significantly YoY in 2023 mainly as a result of the profit-oriented strategy implemented at the beginning of the year.
- 02** Net operating CF increased significantly YoY both in 2023 and Q4'23, largely following the trends of adjusted EBITDA
- 03** The positive investing CF in 2023 and Q4'23 was mostly driven by interest received on short-term bank deposits and money-market mutual funds and was offset by expenditures on software and equipment.
- 04** Financing CF in 2023 and was mostly affected by share buyback settlement (\$150m) completed in Q3.

\$ m	12M 23	12M 22	Q4 23	Q3 23
01 Pre-tax profit	98.8	39.1	23.4	22.9
02 Net Operating CF	82.4	71.0	24.8	20.2
03 Net Investing CF	4.1	(32.6)	0.9	0.5
04 Net Financing CF	(155.0)	(21.8)	(1.1)	(152.0)
Change in cash	(68.5)	16.6	24.7	(131.2)
Cash End of Period	152.1	222.2	152.1	127.7

2024 OUTLOOK - INVESTING IN FUTURE GROWTH



Keeping our profitability on high levels

2024 OUTLOOK (YoY)

Revenue	FLAT
Marketing spend	SIGNIFICANT GROWTH
Opex (non-marketing)	FLAT
Adjusted EBITDA	DECLINE
Adjusted EBITDA margin (%)	DECLINE

KEY HIGHLIGHTS

- Adjusted EBITDA and Adjusted EBITDA margin (%) to decrease mostly due to investments in future growth, but we still aim to maintain high profitability
- In the first half of the year, we expect our revenue to decrease slightly, with a projected recovery in the second half, driven by the new feature release calendar. Overall, we anticipate our revenue for 2023 to remain flat
- Marketing spend increase follows the paybacks observed in the second half of 2023 (and expected in 2024) - we keep optimizing our UA strategy in the post-IDFA reality
- We anticipate operating expenses to remain stable, with no major shifts in our employment structure planned



**THANK
YOU**

For more information please see ir.huuugegames.com

Core franchises' KPIs stabilize

DAU QoQ improvement for 3 consecutive quarters

2023 Adj. EBITDA reached \$108m and Net OCF \$82m

Outstanding results driven by our profit-oriented strategy

Cash distribution to shareholders

\$70m Share Buyback announced

2024 - investment in core franchises

Marketing budget increase starting from Q1 2024

FINANCIAL DATA



Profit & Loss account (USD m)	2021	2022	2023	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Revenue	373.7	318.6	283.4	95.7	97.5	92.0	88.5	84.0	79.4	77.5	77.7	71.7	69.2	71.2	71.3
Cost of sales	-112.2	-98.9	-82.6	-28.1	-29.4	-28.0	-26.8	-25.5	-24.0	-23.8	-23.6	-21.1	-20.3	-20.6	-20.5
Gross profit/(loss) on sales	261.5	221.7	200.9	67.6	68.2	64.0	61.8	58.5	55.4	53.8	54.0	50.6	48.9	50.6	50.8
Sales and marketing expenses, including	-146.2	-88.8	50.2	-43.2	-39.3	-34.1	-29.6	-29.9	-27.4	-17.7	-13.8	-9.3	-11.0	-15.3	-14.5
<i>User acquisition marketing campaigns</i>	-130.0	-73.7	35.3	-39.1	-34.8	-29.9	-26.3	-26.3	-23.1	-14.2	-10.1	-6.3	-7.7	-10.9	-10.4
<i>General Sales and marketing expenses</i>	-16.2	-15.1	14.8	-4.1	-4.5	-4.2	-3.4	-3.6	-4.2	-3.5	-3.8	-3.0	-3.3	-4.5	-4.0
Research and development expenses	-33.1	-29.6	22.0	-7.8	-8.0	-9.6	-7.7	-9.0	-7.9	-6.3	-6.5	-7.2	-5.4	-4.8	-4.5
General and administrative expenses	-38.0	-39.6	34.5	-10.0	-9.5	-9.9	-8.6	-9.1	-9.2	-11.6	-9.7	-10.0	-8.0	-7.6	-8.9
Impairment of intangible assets		-26.1									-26.1	0.0	0.0	0.0	0.0
Other operating income/(expense), net	0.4	1.0	-176.0	0.0	-0.1	0.8	-0.3	0.1	0.2	0.4	0.3	0.4	0.0	-0.2	-0.3
Operating result	44.6	38.6	94.1	6.5	11.2	11.3	15.6	10.7	11.2	18.5	-1.8	24.5	24.4	22.5	22.6
Finance income	0.0	2.2	5.8	0.1	-0.1	0.0	0.0	0.2	0.0	0.7	1.3	1.6	2.1	0.7	1.4
Finance expense	-45.6	-1.7	1.2	-43.6	0.5	-1.5	-1.0	-0.1	-1.2	-0.7	0.2	-0.1	-0.1	-0.3	-0.6
Profit/(loss) before tax	-1.0	39.1	98.8	-37.0	11.7	9.8	14.5	10.7	10.0	18.6	-0.2	26.0	26.5	22.9	23.4
Income tax	-8.7	-7.0	-16.6	-0.6	-2.5	-2.4	-3.2	-1.8	-1.3	-3.3	-0.6	-3.6	-4.7	-4.3	-3.9
Net result for the period	-9.7	32.0	82.2	-37.5	9.1	7.4	11.4	8.9	8.6	15.3	-0.9	22.4	21.7	18.7	19.4
Balance sheet (USD m)	2021	2022	2023	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Total non-current assets	67.5	37.4	29.8	17.1	55.6	54.6	67.5	65.4	63.2	60.3	37.4	36.5	32.9	30.5	29.8
Total current assets	232.4	248.9	191.5	221.9	216.8	224.8	232.4	225.8	213.2	218.2	248.9	274.6	293.8	163.5	187.6
Total assets	299.9	286.3	221.3	238.9	272.4	279.4	299.9	291.2	276.4	278.5	286.3	311.1	326.7	194.0	217.4
Total equity	226.1	240.7	177.1	188.6	200.3	211.8	226.1	236.3	227.4	238.0	240.7	263.8	286.0	153.7	177.1
Total non-current liabilities	13.0	10.0	7.2	4.8	4.7	4.0	13.0	12.2	11.0	9.8	10.0	9.6	8.6	7.5	7.2
Total current liabilities	60.9	35.6	37.0	45.6	67.4	63.6	60.9	42.7	38.1	30.7	35.6	37.8	32.1	32.8	33.2
Total equity and liabilities	299.9	286.3	221.3	238.9	272.4	279.4	299.9	291.2	276.4	278.5	286.3	311.1	326.7	194.0	217.4
Cash flow statement (USD m)	2021	2022	2023	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Net cash flows from operating activities	29.8	71.0	82.4	-8.3	8.5	18.8	10.8	19.9	6.4	15.8	28.9	16.9	20.5	20.2	24.8
Net cash from investing activities	-16.0	-32.6	4.1	-0.6	-11.4	-1.7	-2.3	-25.7	-1.1	-5.3	-0.6	1.4	1.2	0.5	0.9
Net cash from financing activities	96.6	-21.8	155.0	98.6	-0.5	-0.6	-0.9	0.1	-16.3	-4.8	-0.8	-0.9	-1.0	-151.9	-1.1
EBITDA	53	50	103	7.6	13.3	13.6	18.1	13.3	13.8	21.4	1.2	27.0	26.6	24.7	24.9
Adjusted EBITDA	64	82	108	10.4	15.6	17.7	20.7	14.4	13.7	24.5	29.7	27.6	27.5	27.0	26.1
Adjusted net result	41	65	87	4.2	11.4	11.4	14.0	10.0	8.6	18.4	27.7	23.0	22.6	21.0	20.6

APPENDIX - KPI'S



(users)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Total DAU	632,113	850,717	911,048	947,188	789,831	610,489	429,787	888,781	773,229	769,744	727,568	701,620	671,967	557,666	510,702	468,395	426,045	415,491	408,100
Core Franchises	509,356	772,029	769,134	628,119	478,960	380,751	334,126	545,487	483,502	452,979	433,872	428,174	384,442	353,568	356,818	344,143	326,640	331,069	334,652
New franchises	-	438	67,422	182,039	251,745	201,703	89,964	259,706	243,414	252,353	251,507	239,022	248,754	180,427	138,609	113,468	94,148	81,738	70,502
Other	122,757	78,250	74,492	137,030	59,126	28,055	5,697	83,588	46,313	64,412	42,189	34,424	38,770	23,671	15,275	10,784	5,257	2,684	2,946

(users)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Q4 2023
Total DPU	14,152	21,357	25,498	27,146	25,865	22,266	16,689	28,596	26,148	24,364	24,352	24,951	23,123	21,041	19,948	17,814	16,341	16,510	16,089
Core Franchises	13,265	20,890	23,831	24,095	20,623	18,134	15,205	23,240	20,820	19,114	19,320	19,788	18,066	17,330	17,352	15,843	14,757	15,231	14,990
New franchises	-	2	1,493	2,735	5,068	3,867	1,457	5,199	5,168	5,015	4,891	4,859	4,648	3,456	2,506	1,912	1,563	1,263	1,090
Other	887	464	175	316	173	236	27	157	160	235	142	304	410	254	90	60	20	17	9

(%)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Q4 2023
Conversion (monthly, MPU/MAU)	4.2%	5.5%	5.5%	4.5%	5.5%	6.3%	8.0%	5.0%	5.7%	5.5%	5.8%	5.6%	5.5%	7.0%	7.9%	8.1%	8.0%	7.9%	7.7%
Core Franchises	4.9%	6.2%	6.5%	7.4%	8.7%	9.7%	9.8%	8.3%	8.4%	9.0%	9.1%	8.6%	9.2%	10.7%	10.9%	10.8%	10.1%	9.6%	8.9%
New franchises	n/a	0.9%	4.0%	2.6%	3.5%	3.5%	3.8%	3.3%	3.7%	3.5%	3.5%	3.5%	3.2%	3.7%	3.9%	3.8%	3.8%	3.6%	3.8%
Other	1.8%	1.4%	0.4%	0.4%	0.7%	1.8%	0.8%	0.3%	0.9%	0.9%	0.9%	1.5%	1.8%	2.6%	1.2%	1.1%	0.5%	0.6%	0.5%

(USD)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Q4 2023
ARPPU	0.66	0.76	0.78	0.96	1.30	1.43	1.81	1.20	1.39	1.30	1.32	1.33	1.29	1.50	1.66	1.70	1.77	1.89	1.90
Core Franchises	0.80	0.83	0.90	1.36	1.88	2.07	2.23	1.72	1.96	1.93	1.93	1.92	2.00	2.17	2.23	2.19	2.21	2.29	2.25
New franchises	-	0.10	0.27	0.27	0.48	0.39	0.33	0.46	0.50	0.48	0.47	0.44	0.38	0.37	0.36	0.35	0.33	0.32	0.31
Other	0.07	0.09	0.04	0.06	0.08	0.13	0.06	0.07	0.09	0.07	0.10	0.15	0.14	0.11	0.07	0.07	0.08	0.06	0.04

(USD)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	Q4 2023
Daily ARPPU	28.7	29.9	27.8	32.8	38.0	38.0	46.0	35.7	39.5	39.3	37.7	35.9	36.1	38.9	41.7	44.0	45.6	47.1	47.7
Core Franchises	30.2	30.4	28.9	35.3	43.5	43.4	49.1	40.3	45.4	45.7	43.4	41.5	42.4	44.4	45.9	47.6	49.0	49.8	50.2

APPENDIX - GLOSSARY



ARPPU	Average revenue per paying user.
ARPPU	Average revenue per paying user.
DAU	The number of individual users who played a game on a particular day.
DPU	The number of players (active users) who made a purchase on a given day.
EPS	Earnings per share
Live Ops	Activities aimed at increasing the player engagement, among others, by adding new features to games, recurring and one-off virtual events in which players can participate, and active management of promotions within the game.
MAU	The number of individual users who played a game during a particular month.
Monthly Conversion	The percentage of MAU that made at least one purchase in a month during the same period In-app purchases. Payments made by users after downloading a game, in connection with the purchase of additional game features. In-app purchases can be made through various non-cash payment instruments (e.g. payment card, transfer), various electronic channels (e.g. e-banking, mobile phone) or using payment service providers (e.g. PayPal).
MPU	MPU is defined as the number of players (active users) who made a purchase at least once in a given month.
Retention	The number of users who continued to use the game after a certain period of time after downloading the application.
UAMC	
User acquisition marketing campaigns	Process of the acquisition of users through paid campaigns or promotional offers