

Current Report No. 13/2024

17 March 2024

Conclusion of agreements regarding the investment in Bananaz Studios Ltd.

Huuuge, Inc. (the “**Issuer**”) hereby announces that on 17 March 2024 (the “**Signing Date**”) the Issuer 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 Issuer views as attractive and complementary to its core social casino business.

Under the SAFE, the Issuer undertook to invest in Bananaz up to USD 6,000,000 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 3,500,000 was ordered on the Signing Date; and (ii) the second tranche in the amount of USD 2,500,000 shall be payable following the achievement by Bananaz of certain key performance indicators indicated in the SAFE, or at the Issuer’s sole discretion, during the period commencing 9 months and ending 18 months after the Signing Date (the “**Second Tranche**”). The Issuer will be investing in Bananaz at a pre-money valuation of USD 16,500,000. 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 Issuer 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 Issuer 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 instalments.

The first instalment 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 million for all the shares in the share capital of Bananaz (including the shares which will be issued to the Issuer according to the SAFE), before the above-mentioned agreed adjustments. The first instalment shall be payable at the completion of the Call Option.

The size of the second instalment 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 instalment (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 instalment.

Furthermore, from the Signing Date, the Issuer 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.

Legal basis: Article 17(1) 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 – confidential information.