

**HUUUGE**

**Q1 2024**

**PRESENTATION**

**MAY 2024**



# DISCLAIMER

---



This presentation (“Presentation”) has been prepared by Huuuge, Inc. (the “Company”). By reading the Presentation, you agree to be bound by the following limitations.

The Presentation is protected by copyright law, in particular the Polish Act of February 4, 1994 on Copyright and Related Rights. Copying, duplication and use of part or all of the photos and graphics contained in the Presentation without the author’s permission is prohibited.

The Presentation does not constitute an offer to sell or subscribe for or a solicitation of an offer to purchase or subscribe for securities. This Presentation is provided for informational purposes only. This Presentation does not constitute or form part of and should not be construed as an offer, solicitation or invitation to sell or issue, or an offer, solicitation or invitation to, subscribe for, underwrite, buy or otherwise acquire, securities of the Company or any of its subsidiaries in any jurisdiction, or an inducement/recommendation to enter into investment activity in any jurisdiction. Neither this Presentation nor any part hereof, nor the fact of its distribution or issuance, shall form the basis of, or be relied on in connection with, any contract, commitment or investment decision whatsoever.

The information contained herein is only preliminary and indicative and does not purport to contain the information that would be required to evaluate the Company, its financial position and/or any investment decision. This Presentation is not intended to provide, and should not be relied upon for, accounting, legal or tax advice nor does it constitute an investment recommendation. This Presentation is given in conjunction with an oral presentation and should not be taken out of context.

No information included in this Presentation may be considered as investment advice or investment recommendation. The information contained in the Presentation has not been independently verified. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein.

Matters discussed in this Presentation may constitute forward-looking statements. Forward-looking statements constitute statements that are other than statements of historical fact. Statements which include the words “expects,” “intends,” “plans,” “believes,” “projects,” “anticipates,” “will,” “targets,” “aims,” “may,” “would,” “could,” “continue” and similar statements of a future or forward-looking nature identify such forward-looking statements.

Forward-looking statements include in particular statements regarding the financial performance, business strategy, plans and objectives of the Company for future operations (including growth potential). All forward-looking statements included in this Presentation address matters that involve known and unknown risks, uncertainties and other factors which could cause the Company’s actual results, performance or achievements to differ materially from those indicated in such forward-looking statements and from past results, performance or achievements of the Company. Such forward-looking statements are based upon various assumptions and estimates regarding future events, including numerous assumptions regarding the Company’s present and future business strategies and future operating environment. Although the Company believes that these estimates and assumptions are reasonable, they may prove to be incorrect.

The information, opinions and forward-looking statements contained in this Presentation speak only as at the date of this Presentation and are subject to change without notice. The Company, its directors, agents, employees and advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this Presentation to reflect any change in events, conditions or circumstances. To the extent permitted under the applicable provisions of law, neither the Company nor any of their affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss however arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

This Presentation is not for distribution or use by any person or entity in any jurisdiction where such distribution or use would be contrary to local law or regulation or which would subject the Company or any of its affiliates to authorization, notification, licensing or other registration requirements under applicable laws. Any failure to comply with this restriction may constitute a violation of United States securities laws. Persons into whose possession this Presentation comes should observe all such restrictions.

# TODAY'S PRESENTERS

---



**Wojciech Wronowski**  
Chief Executive Officer



**Marek Chwałek**  
Treasurer, EVP Finance



# HIGHLIGHTS

---

## EBITDA margins high despite marketing spend increase

### Maintaining cost discipline

User Acquisition costs almost doubled YoY, but overall operating expenses were flat YoY (savings in R&D, G&A and platform fees)

### Core franchises: main KPIs stabilize

DAU consecutive growth since Q2 2023

### Direct-To-Consumer channel growth

DTC responsible for 12% of sales in April

### \$70m Share Buyback executed in April 2024

Strong cash position: \$163m as of 31 March, 2024



**\$46.34**  
ARPPU

vs. **\$47.73** Q4'23

**\$67m**  
REVENUE

vs. **\$71m** Q4 '23

**\$22m**  
Adj. EBITDA

vs. **\$26m** Q4'23

# BUSINESS UPDATE

---

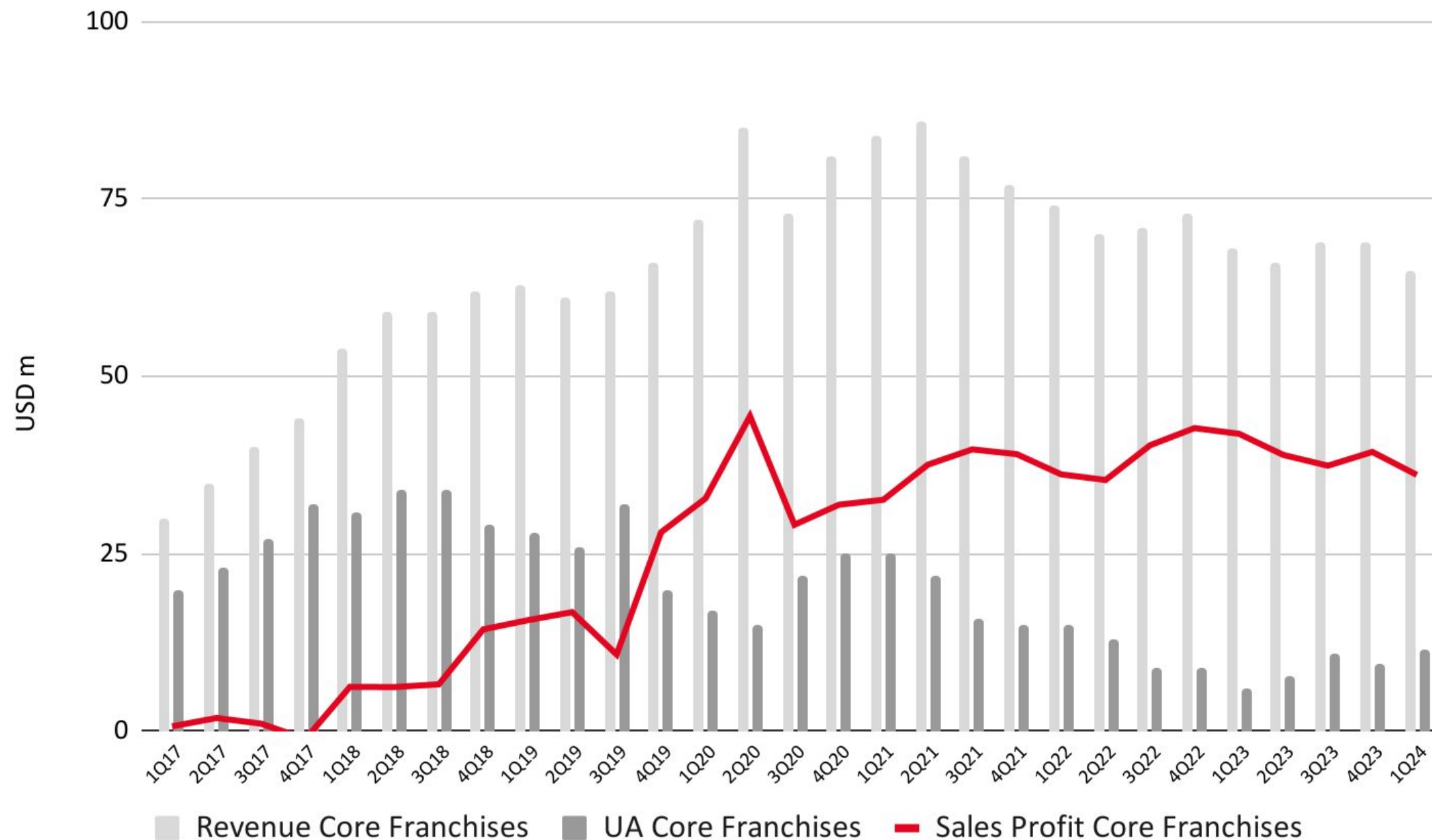
**HUUUGE**



# CORE FRANCHISES



Q1 2024 revenue slightly decreased QoQ, UA spending increased significantly YoY



- Core franchises revenue in Q1 2024 decreased QoQ as in Q4 2023 we took advantage of seasonal effects and stronger monetization.
- UA spend for core franchises in **Q1 2024 increased by 86% YoY**, and 13% QoQ. **We are not planning to significantly increase UA spending in the coming quarters.** We aim to further refine our marketing mix and maintain expected paybacks within our targets.
- **Sales profit** for Core franchises in Q1 2024 decreased by **18% QoQ mainly due to higher marketing spend.**

# CORE FRANCHISES: MAIN KPIs STABILIZE



Our core games have stabilized since Q2 2023: operating KPIs flattened

## Core franchises' main KPIs stabilize

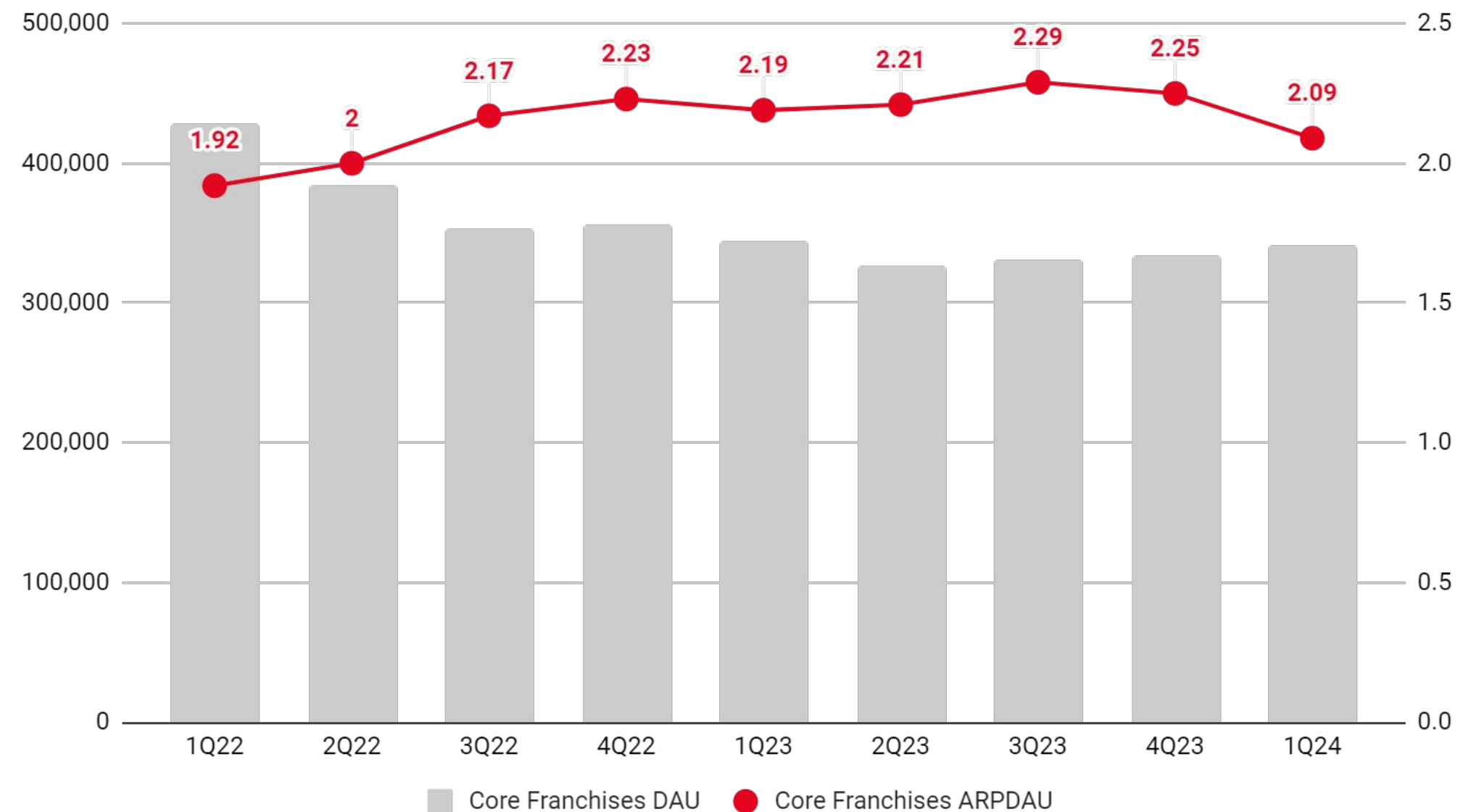
Q1 24 DAU +2% QoQ; Q1 24 DPU -1% QoQ

## Player base trend reversal

Stabilization of our player base is a result of increased marketing spend. Average monthly installs have doubled compared to Q1 2023

## Managing the growth

Broadly stable performance expected in Q2 2024, we are trying to balance churn and longevity vs monetization

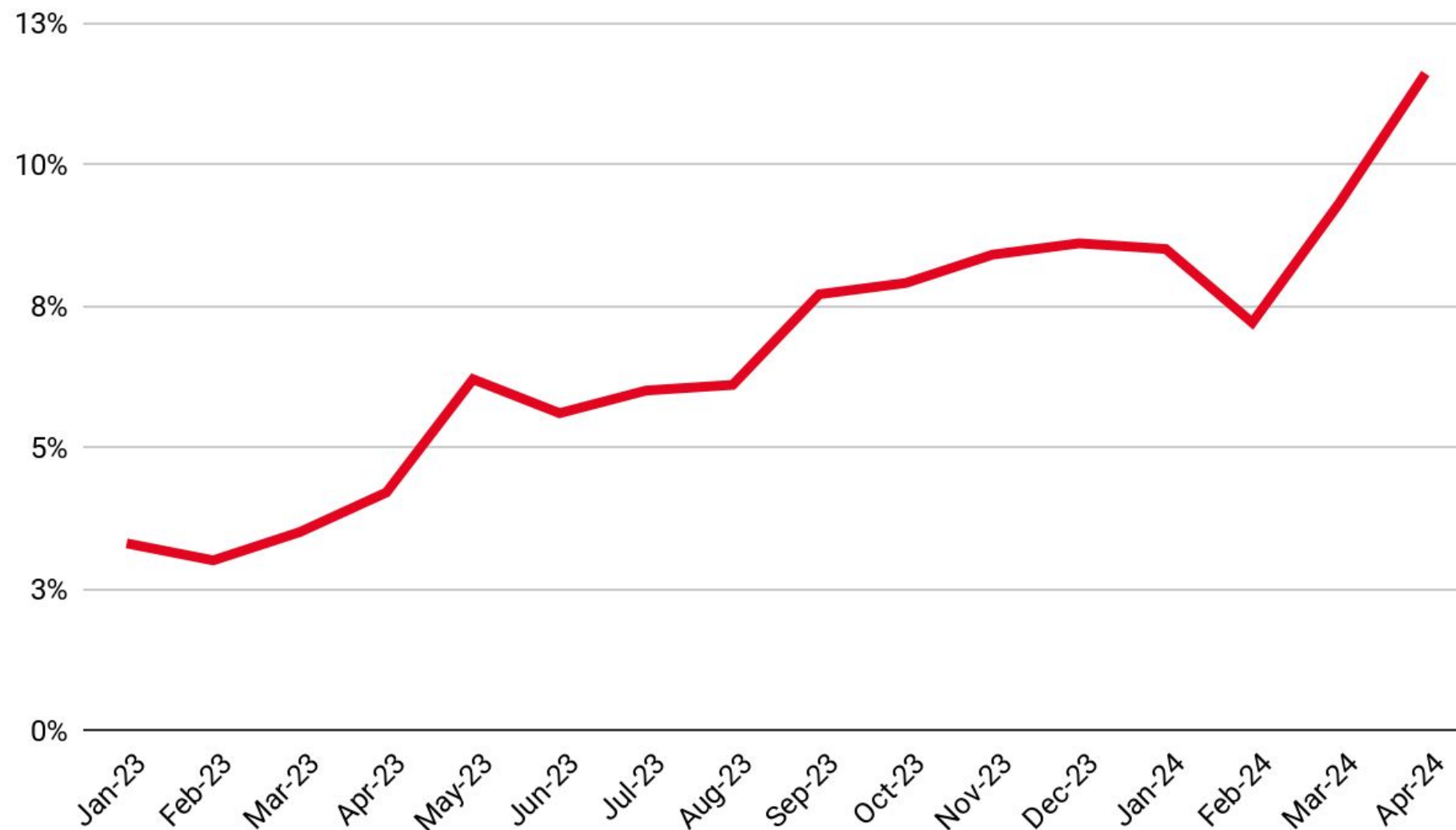


# CORE FRANCHISES: DTC CHANNEL GROWTH



Direct-To-Consumer channel share in revenue reached low teens (12%) in April 2024

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



- DTC revenue reached over 8% of the total revenue in Q1 2024 with the ratio improving further to almost 12% in April.
- We continue to invest further in this channel and we expect more long-term upside, with DTC as % of revenue **expected to reach low to mid-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.

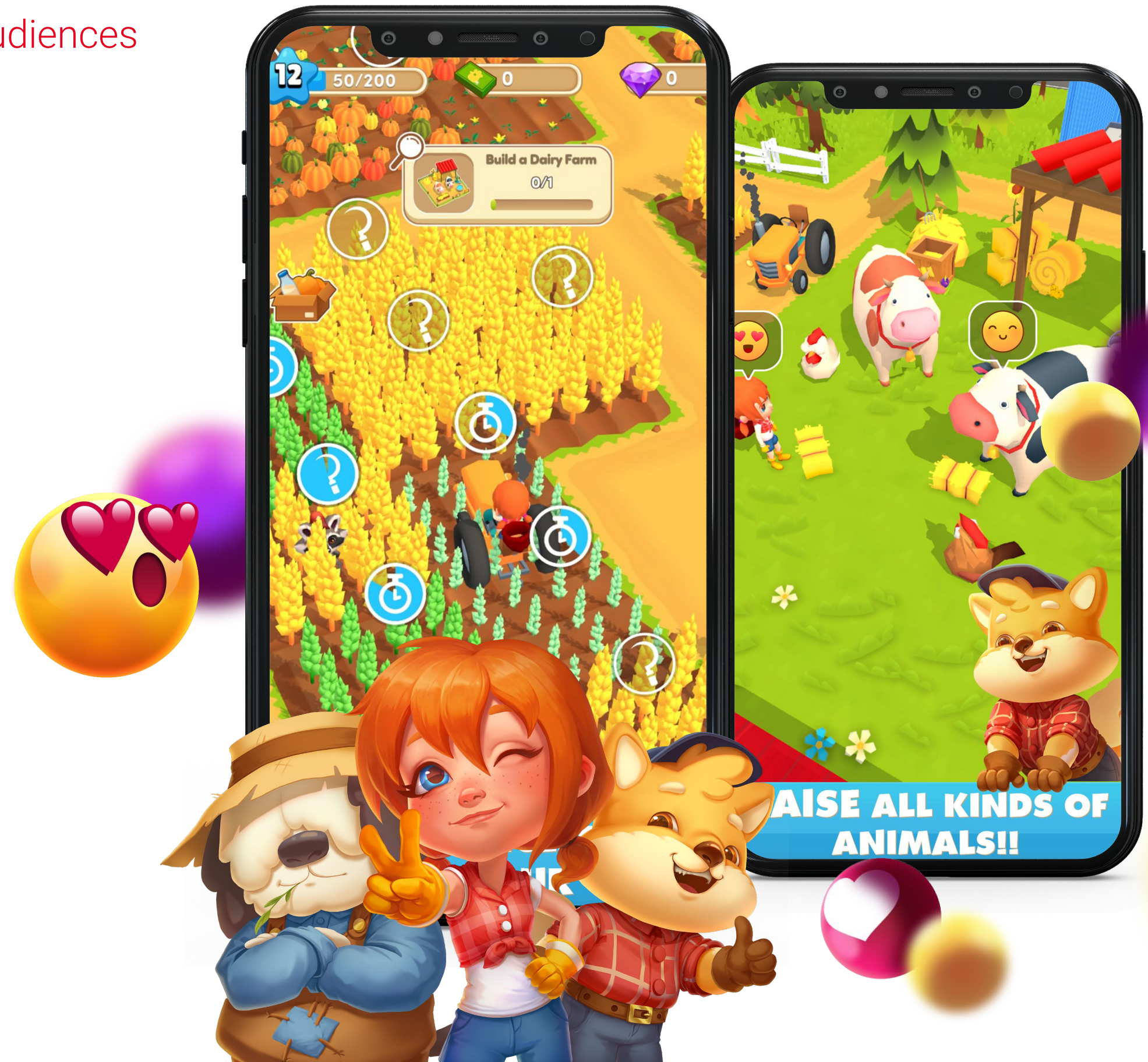


# HUUUGE PODS



**Multiplayer multiplatform** games for worldwide audiences

- Several Pods are working on new games, with the total headcount of these teams below 40 FTEs
- There are three new games, each at a different stage of the product life cycle
- We are continuously testing and validating new concepts and planning to tech launch 2 games in coming quarter.
- When any of these products reach commercial viability, we will prudently increase marketing investments to support these games.



# FINANCIAL UPDATE

---

**HUUUGE**



# FINANCIAL PERFORMANCE



**01** In line with our prior guidance for the first half of the year, overall Q1 24 revenue decline YoY and QoQ driven mostly by core franchises revenue decrease.

**02** Q1 24 UA expenses were significantly higher YoY, we were ramping up spend throughout the last year as we continue to optimize paybacks.

**03** The Q1 24 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 Q1 24 at 18% (vs 17% in FY 23).

**05** Q1 24 EBITDA decrease YoY driven mainly by higher UA spend.

	\$ m	Q1 24	Q1 23	YoY	Q4 23	QoQ
	Core Franchises	65.1	68.0	-4.2%	69.3	-6.0%
	Other	1.9	3.8	-50.2%	2.0	-9.5%
<b>01</b>	<b>Revenue</b>	<b>67.0</b>	<b>71.7</b>	<b>-6.6%</b>	<b>71.3</b>	<b>-6.1%</b>
	<b>Gross profit/(loss) on sales</b>	<b>47.9</b>	<b>50.6</b>	<b>-5.3%</b>	<b>50.8</b>	<b>-5.7%</b>
<b>02</b>	Sales and marketing expenses	-15.1	-9.4	60.7%	-14.5	4.3%
	Research and development expenses	-5.7	-7.5	-23.7%	-4.5	25.9%
<b>03</b>	General and administrative expenses	-8.0	-9.6	-16.3%	-8.9	-9.5%
	Other operating income/(expense), net	-1.0	0.3	-	-0.3	218.4%
	<b>Operating result</b>	<b>18.1</b>	<b>24.5</b>	<b>-26.0%</b>	<b>22.6</b>	<b>-19.9%</b>
	Finance income/expense, net	2.0	1.5	31.9%	0.7	176.1%
	<b>Profit/(loss) before tax</b>	<b>20.1</b>	<b>26.0</b>	<b>-22.7%</b>	<b>23.4</b>	<b>-13.8%</b>
<b>04</b>	Income tax	-3.6	-3.6	-1.2%	-3.9	-9.0%
	<b>Net result for the period</b>	<b>16.5</b>	<b>22.4</b>	<b>-26.1%</b>	<b>19.4</b>	<b>-14.8%</b>
<b>05</b>	<b>Adjusted EBITDA</b>	<b>21.9</b>	<b>27.6</b>	<b>-20.5%</b>	<b>26.1</b>	<b>-15.9%</b>

# BALANCE SHEET



**01** Includes mainly intangible assets and office leases and \$3.5m long term investment.

**02** Primarily cash and cash equivalents (\$163.2m, or 71% of current assets as of Mar 31, 2024; \$70m buyback executed on April 23, 2024).

\$ m	March 31, 2024	December 31, 2023
<b>01</b> Non-current assets	32.6	29.8
<b>02</b> Current assets	196.8	187.6
<b>Total assets</b>	<b>229.4</b>	<b>217.4</b>
<b>Total equity</b>	<b>193.8</b>	<b>177.1</b>
Non-current liabilities	6.5	7.2
Current liabilities	29.1	33.2
<b>Total equity and liabilities</b>	<b>229.4</b>	<b>217.4</b>

# CASH FLOWS



- 01** Pre-tax profit decreased significantly YoY in Q1 24 mainly as a result of increased UA spend
- 02** Net operating CF decreased YoY and QoQ in Q1 24 largely following the trends of adjusted EBITDA. Income tax paid was higher in Q1 24, mainly due to higher tax liability for FY'23 than for FY'22
- 03** The negative investing CF in Q1 24 was mostly driven our \$3.5m investment in Banamaz Studios and was partially offset by interest received on short-term bank deposits and money-market mutual funds

\$ m	Q1 24	Q1 23	Q4 23
<b>01</b> Pre-tax profit	20.1	26.0	23.4
<b>02</b> Net Operating CF	14.4	16.9	24.8
<b>03</b> Net Investing CF	-2.6	1.4	0.9
Net Financing CF	-1.0	-0.9	-1.1
<b>Change in cash</b>	<b>10.8</b>	<b>17.4</b>	<b>24.7</b>
<b>Cash End of Period</b>	<b>163.2</b>	<b>238.5</b>	<b>152.1</b>

# HIGHLY CASH GENERATIVE BUSINESS

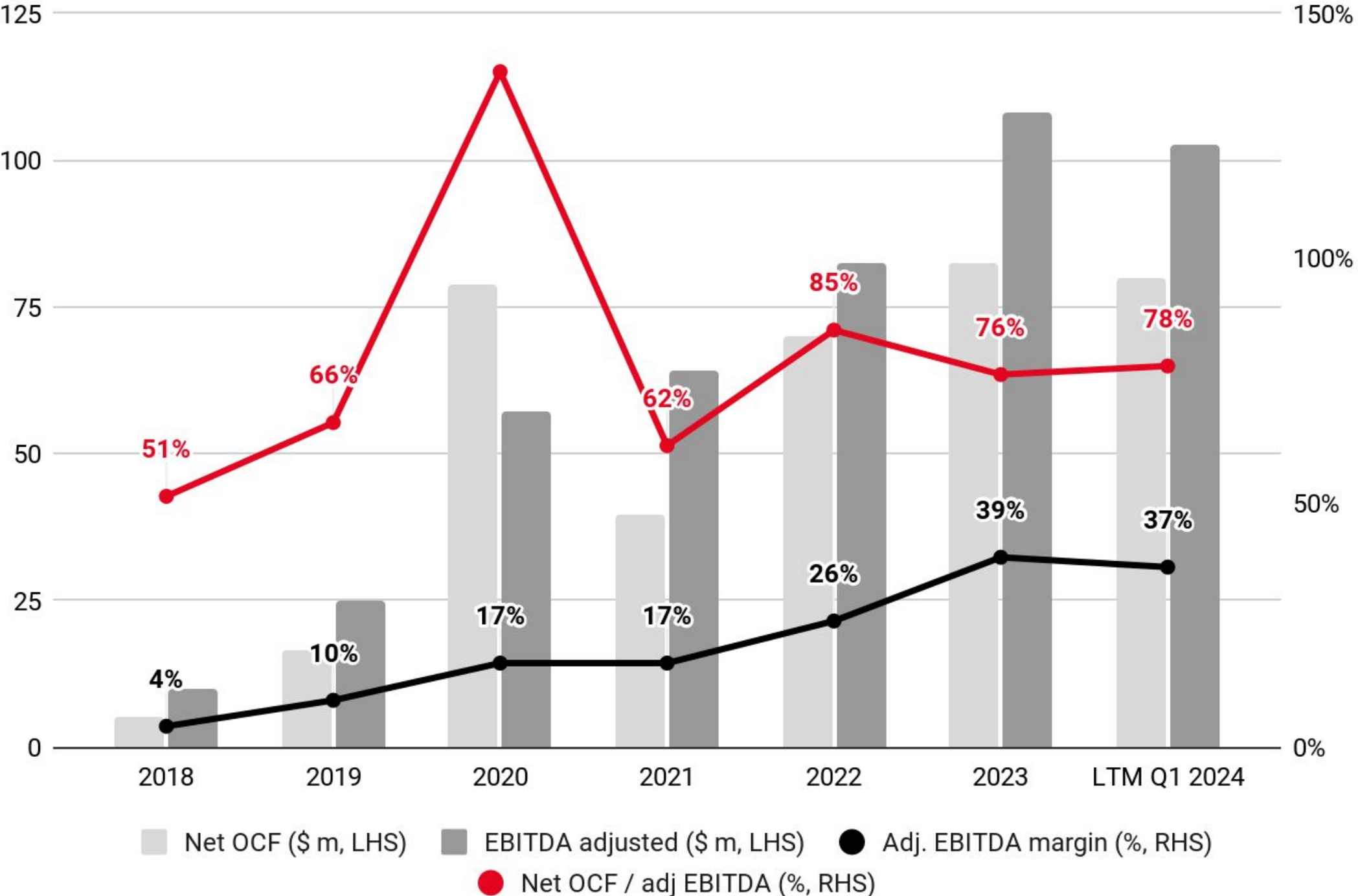


In Q1 2024 we delivered **adjusted EBITDA of \$22m** and **net operating cash flow of \$14.4m**

**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 positioned us well to execute share buyback of **\$70 million in April 2024**

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



# 2024 OUTLOOK - INVESTING IN FUTURE GROWTH



Keeping our profitability on high levels

## 2024 OUTLOOK (YoY)

Revenue	FLAT
Marketing spend	SIGNIFICANT GROWTH
Opex (non-marketing)	SLIGHT DECLINE
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 YoY
- 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 are not planning to further significantly increase UA spending in the coming quarters
- **We are mindful of our costs and based on Q1 2024 performance and current run rate, our operating expenses might actually be slightly lower YoY (not flat as previously guided)**

# HUUUGE

# THANK YOU

---

For more information please see [ir.huuugegames.com](https://ir.huuugegames.com)

## **Q1 2024 EBITDA margins remain high**

User Acquisition costs almost doubled YoY, but overall operating expenses were flat YoY (savings in R&D, G&A and platform fees)

## **Core franchises' KPIs stabilize**

DAU QoQ improvement for 4 consecutive quarters

## **Direct-To-Consumer channel growth**

DTC responsible for 12% of sales in April



# FINANCIAL DATA



Profit & Loss account (USD m)	2021	2022	2023	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Revenue	373.7	318.6	283.4	84.0	79.4	77.5	77.7	71.7	69.2	71.2	71.3	67.0
Cost of sales	-112.2	-98.9	-82.6	-25.5	-24.0	-23.8	-23.6	-21.1	-20.3	-20.6	-20.5	-19.1
<b>Gross profit/(loss) on sales</b>	<b>261.5</b>	<b>221.7</b>	<b>200.9</b>	<b>58.5</b>	<b>55.4</b>	<b>53.8</b>	<b>54.0</b>	<b>50.6</b>	<b>48.9</b>	<b>50.6</b>	<b>50.8</b>	<b>47.9</b>
Sales and marketing expenses, including	-146.2	-88.8	50.2	-29.9	-27.4	-17.7	-13.8	-9.3	-11.0	-15.3	-14.5	-15.1
<i>User acquisition marketing campaigns</i>	-130.0	-73.7	35.3	-26.3	-23.1	-14.2	-10.1	-6.3	-7.7	-10.9	-10.4	-11.8
<i>General Sales and marketing expenses</i>	-16.2	-15.1	14.8	-3.6	-4.2	-3.5	-3.8	-3.0	-3.3	-4.5	-4.0	-3.3
Research and development expenses	-33.1	-29.6	22.0	-9.0	-7.9	-6.3	-6.5	-7.2	-5.4	-4.8	-4.5	-5.7
General and administrative expenses	-38.0	-39.6	34.5	-9.1	-9.2	-11.6	-9.7	-10.0	-8.0	-7.6	-8.9	-8.0
Impairment of intangible assets		-26.1					-26.1	0.0	0.0	0.0	0.0	0.0
Other operating income/(expense), net	0.4	1.0	-176.0	0.1	0.2	0.4	0.3	0.4	0.0	-0.2	-0.3	-1.0
<b>Operating result</b>	<b>44.6</b>	<b>38.6</b>	<b>94.1</b>	<b>10.7</b>	<b>11.2</b>	<b>18.5</b>	<b>-1.8</b>	<b>24.5</b>	<b>24.4</b>	<b>22.5</b>	<b>22.6</b>	<b>18.1</b>
Finance income	0.0	2.2	5.8	0.2	0.0	0.7	1.3	1.6	2.1	0.7	1.4	2.1
Finance expense	-45.6	-1.7	1.2	-0.1	-1.2	-0.7	0.2	-0.1	-0.1	-0.3	-0.6	-0.1
<b>Profit/(loss) before tax</b>	<b>-1.0</b>	<b>39.1</b>	<b>98.8</b>	<b>10.7</b>	<b>10.0</b>	<b>18.6</b>	<b>-0.2</b>	<b>26.0</b>	<b>26.5</b>	<b>22.9</b>	<b>23.4</b>	<b>20.1</b>
Income tax	-8.7	-7.0	-16.6	-1.8	-1.3	-3.3	-0.6	-3.6	-4.7	-4.3	-3.9	-3.6
<b>Net result for the period</b>	<b>-9.7</b>	<b>32.0</b>	<b>82.2</b>	<b>8.9</b>	<b>8.6</b>	<b>15.3</b>	<b>-0.9</b>	<b>22.4</b>	<b>21.7</b>	<b>18.7</b>	<b>19.4</b>	<b>16.5</b>
<b>Balance sheet (USD m)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Q1 22</b>	<b>Q2 22</b>	<b>Q3 22</b>	<b>Q4 22</b>	<b>Q1 23</b>	<b>Q2 23</b>	<b>Q3 23</b>	<b>Q4 23</b>	<b>Q1 24</b>
<b>Total non-current assets</b>	67.5	37.4	29.8	65.4	63.2	60.3	37.4	36.5	32.9	30.5	29.8	32.6
<b>Total current assets</b>	232.4	248.9	191.5	225.8	213.2	218.2	248.9	274.6	293.8	163.5	187.6	196.8
<b>Total assets</b>	<b>299.9</b>	<b>286.3</b>	<b>221.3</b>	<b>291.2</b>	<b>276.4</b>	<b>278.5</b>	<b>286.3</b>	<b>311.1</b>	<b>326.7</b>	<b>194.0</b>	<b>217.4</b>	<b>229.4</b>
<b>Total equity</b>	226.1	240.7	177.1	236.3	227.4	238.0	240.7	263.8	286.0	153.7	177.1	193.8
<b>Total non-current liabilities</b>	13.0	10.0	7.2	12.2	11.0	9.8	10.0	9.6	8.6	7.5	7.2	6.5
<b>Total current liabilities</b>	60.9	35.6	37.0	42.7	38.1	30.7	35.6	37.8	32.1	32.8	33.2	29.1
<b>Total equity and liabilities</b>	<b>299.9</b>	<b>286.3</b>	<b>221.3</b>	<b>291.2</b>	<b>276.4</b>	<b>278.5</b>	<b>286.3</b>	<b>311.1</b>	<b>326.7</b>	<b>194.0</b>	<b>217.4</b>	<b>229.4</b>
<b>Cash flow statement (USD m)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Q1 22</b>	<b>Q2 22</b>	<b>Q3 22</b>	<b>Q4 22</b>	<b>Q1 23</b>	<b>Q2 23</b>	<b>Q3 23</b>	<b>Q4 23</b>	<b>Q1 24</b>
<b>Net cash flows from operating activities</b>	29.8	71.0	82.4	19.9	6.4	15.8	28.9	16.9	20.5	20.2	24.8	14.4
<b>Net cash from investing activities</b>	-16.0	-32.6	4.1	-25.7	-1.1	-5.3	-0.6	1.4	1.2	0.5	0.9	-2.6
<b>Net cash from financing activities</b>	96.6	-21.8	155.0	0.1	-16.3	-4.8	-0.8	-0.9	-1.0	-151.9	-1.1	-1.0
EBITDA	53	50	100	13.3	13.8	21.4	1.2	27.0	26.6	24.7	24.9	20.6
<b>Adjusted EBITDA</b>	<b>64</b>	<b>82</b>	<b>108</b>	<b>14.4</b>	<b>13.7</b>	<b>24.5</b>	<b>29.7</b>	<b>27.6</b>	<b>27.5</b>	<b>27.0</b>	<b>26.1</b>	<b>21.9</b>
<b>Adjusted net result</b>	<b>41</b>	<b>65</b>	<b>87</b>	<b>10.0</b>	<b>8.6</b>	<b>18.4</b>	<b>27.7</b>	<b>23.0</b>	<b>22.6</b>	<b>21.0</b>	<b>20.6</b>	<b>17.9</b>

# APPENDIX - KPI'S



(users)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Total DAU</b>	<b>632,113</b>	<b>850,717</b>	<b>911,048</b>	<b>947,188</b>	<b>789,831</b>	<b>610,489</b>	<b>429,787</b>
Core Franchises	509,356	772,029	769,134	628,119	478,960	380,751	334,126
New franchises	0	438	67,422	182,039	251,745	201,703	89,964
Other	122,757	78,250	74,492	137,030	59,126	28,055	5,697

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>888,781</b>	<b>773,229</b>	<b>769,744</b>	<b>727,568</b>	<b>701,620</b>	<b>671,967</b>	<b>557,666</b>	<b>510,702</b>	<b>468,395</b>	<b>426,045</b>	<b>416,609</b>	<b>408,100</b>	<b>409,268</b>
545,487	483,502	452,979	433,872	428,174	384,442	353,568	356,818	344,143	326,640	331,069	334,652	341,901
259,706	243,414	252,353	251,507	239,022	248,754	180,427	138,609	113,468	94,148	81,738	70,502	64,419
83,588	46,313	64,412	42,189	34,424	38,770	23,671	15,275	10,784	5,257	3,802	2,946	2,948

(users)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Total DPU</b>	<b>14,152</b>	<b>21,357</b>	<b>25,498</b>	<b>27,146</b>	<b>25,865</b>	<b>22,266</b>	<b>16,689</b>
Core Franchises	13,265	20,890	23,831	24,095	20,623	18,134	15,205
New franchises	0	2	1,493	2,735	5,068	3,867	1,457
Other	887	464	175	316	173	236	27

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>28,596</b>	<b>26,148</b>	<b>24,364</b>	<b>24,352</b>	<b>24,951</b>	<b>23,123</b>	<b>21,041</b>	<b>19,948</b>	<b>17,814</b>	<b>16,341</b>	<b>16,510</b>	<b>16,089</b>	<b>15,730</b>
23,240	20,820	19,114	19,320	19,788	18,066	17,330	17,352	15,843	14,757	15,231	14,990	14,791
5,199	5,168	5,015	4,891	4,859	4,648	3,456	2,506	1,912	1,563	1,263	1,090	931
157	160	235	142	304	410	254	90	60	20	17	9	8

(%)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Conversion (monthly, MPU/MAU)</b>	<b>4.2%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>4.5%</b>	<b>5.5%</b>	<b>6.3%</b>	<b>8.0%</b>
Core Franchises	4.9%	6.2%	6.5%	7.4%	8.7%	9.7%	9.8%
New franchises	n/a	0.9%	4.0%	2.6%	3.5%	3.5%	3.8%
Other	1.8%	1.4%	0.4%	0.4%	0.7%	1.8%	0.8%

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>5.0%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>5.5%</b>	<b>7.0%</b>	<b>7.9%</b>	<b>8.1%</b>	<b>8.0%</b>	<b>7.9%</b>	<b>7.7%</b>	<b>7.1%</b>
8.3%	8.4%	9.0%	9.1%	8.6%	9.2%	10.7%	10.9%	10.8%	10.1%	9.6%	8.9%	8.2%
3.3%	3.7%	3.5%	3.5%	3.5%	3.2%	3.7%	3.9%	3.8%	3.8%	3.6%	3.8%	3.2%
0.3%	0.9%	0.9%	0.9%	1.5%	1.8%	2.6%	1.2%	1.1%	0.5%	0.6%	0.5%	0.4%

(USD)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ARPPU</b>	<b>0.66</b>	<b>0.76</b>	<b>0.78</b>	<b>0.96</b>	<b>1.30</b>	<b>1.43</b>	<b>1.81</b>
Core Franchises	0.80	0.83	0.90	1.36	1.88	2.07	2.23
New franchises	n/a	0.10	0.27	0.27	0.48	0.39	0.33
Other	0.07	0.09	0.04	0.06	0.08	0.13	0.06

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>1.20</b>	<b>1.39</b>	<b>1.30</b>	<b>1.32</b>	<b>1.33</b>	<b>1.29</b>	<b>1.50</b>	<b>1.66</b>	<b>1.70</b>	<b>1.77</b>	<b>1.88</b>	<b>1.90</b>	<b>1.80</b>
1.72	1.96	1.93	1.93	1.92	2.00	2.17	2.23	2.19	2.21	2.28	2.25	2.09
0.46	0.50	0.48	0.47	0.44	0.38	0.37	0.36	0.35	0.33	0.32	0.31	0.31
0.07	0.09	0.07	0.10	0.15	0.14	0.11	0.07	0.07	0.08	0.06	0.04	0.03

(USD)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Daily ARPPU</b>	<b>28.7</b>	<b>29.9</b>	<b>27.8</b>	<b>32.8</b>	<b>38.0</b>	<b>38.0</b>	<b>46.0</b>
Core Franchises	30.2	30.4	28.9	35.3	43.5	43.4	49.1

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>35.7</b>	<b>39.5</b>	<b>39.3</b>	<b>37.7</b>	<b>35.9</b>	<b>36.1</b>	<b>38.9</b>	<b>41.7</b>	<b>44.0</b>	<b>45.6</b>	<b>46.8</b>	<b>47.7</b>	<b>46.3</b>
40.3	45.4	45.7	43.4	41.5	42.4	44.4	45.9	47.6	49.0	49.5	50.2	48.4

# APPENDIX - GLOSSARY

---



**ARPPU** Average revenue per daily active 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

# FINANCIAL PERFORMANCE



**01** In line with our prior guidance for the first half of the year, overall Q1 24 revenue decline YoY and QoQ driven mostly by core franchises revenue decrease.

**02** Q1 24 UA expenses were significantly higher YoY, we were ramping up spend throughout the last year as we continue to optimize paybacks.

**03** The Q1 24 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 Q1 24 at 18% (vs 17% in FY 23).

**05** Q1 24 EBITDA decrease YoY driven mainly by higher UA spend.

	\$ m	Q1 24	Q1 23	YoY	Q4 23	QoQ
	Core Franchises	65.1	68.0	-4.2%	69.3	-6.0%
	Other	1.9	3.8	-50.2%	2.0	-9.5%
<b>01</b>	<b>Revenue</b>	<b>67.0</b>	<b>71.7</b>	<b>-6.6%</b>	<b>71.3</b>	<b>-6.1%</b>
	<b>Gross profit/(loss) on sales</b>	<b>47.9</b>	<b>50.6</b>	<b>-5.3%</b>	<b>50.8</b>	<b>-5.7%</b>
<b>02</b>	Sales and marketing expenses	-15.1	-9.4	60.7%	-14.5	4.3%
	Research and development expenses	-5.7	-7.5	-23.7%	-4.5	25.9%
<b>03</b>	General and administrative expenses	-8.0	-9.6	-16.3%	-8.9	-9.5%
	Other operating income/(expense), net	-1.0	0.3	-	-0.3	218.4%
	<b>Operating result</b>	<b>18.1</b>	<b>24.5</b>	<b>-26.0%</b>	<b>22.6</b>	<b>-19.9%</b>
	Finance income/expense, net	2.0	1.5	31.9%	0.7	176.1%
	<b>Profit/(loss) before tax</b>	<b>20.1</b>	<b>26.0</b>	<b>-22.7%</b>	<b>23.4</b>	<b>-13.8%</b>
<b>04</b>	Income tax	-3.6	-3.6	-1.2%	-3.9	-9.0%
	<b>Net result for the period</b>	<b>16.5</b>	<b>22.4</b>	<b>-26.1%</b>	<b>19.4</b>	<b>-14.8%</b>
<b>05</b>	<b>Adjusted EBITDA</b>	<b>21.9</b>	<b>27.6</b>	<b>-20.5%</b>	<b>26.1</b>	<b>-15.9%</b>

# BALANCE SHEET



**01** Includes mainly intangible assets and office leases and \$3.5m long term investment.

**02** Primarily cash and cash equivalents (\$163.2m, or 71% of current assets as of Mar 31, 2024; \$70m buyback executed on April 23, 2024).

\$ m	March 31, 2024	December 31, 2023
<b>01</b> Non-current assets	32.6	29.8
<b>02</b> Current assets	196.8	187.6
<b>Total assets</b>	<b>229.4</b>	<b>217.4</b>
<b>Total equity</b>	<b>193.8</b>	<b>177.1</b>
Non-current liabilities	6.5	7.2
Current liabilities	29.1	33.2
<b>Total equity and liabilities</b>	<b>229.4</b>	<b>217.4</b>

# CASH FLOWS



- 01** Pre-tax profit decreased significantly YoY in Q1 24 mainly as a result of increased UA spend
- 02** Net operating CF decreased YoY and QoQ in Q1 24 largely following the trends of adjusted EBITDA. Income tax paid was higher in Q1 24, mainly due to higher tax liability for FY'23 than for FY'22
- 03** The negative investing CF in Q1 24 was mostly driven our \$3.5m investment in Bananaz Studios and was partially offset by interest received on short-term bank deposits and money-market mutual funds

\$ m	Q1 24	Q1 23	Q4 23
<b>01</b> Pre-tax profit	20.1	26.0	23.4
<b>02</b> Net Operating CF	14.4	16.9	24.8
<b>03</b> Net Investing CF	-2.6	1.4	0.9
Net Financing CF	-1.0	-0.9	-1.1
<b>Change in cash</b>	<b>10.8</b>	<b>17.4</b>	<b>24.7</b>
<b>Cash End of Period</b>	<b>163.2</b>	<b>238.5</b>	<b>152.1</b>

# HIGHLY CASH GENERATIVE BUSINESS

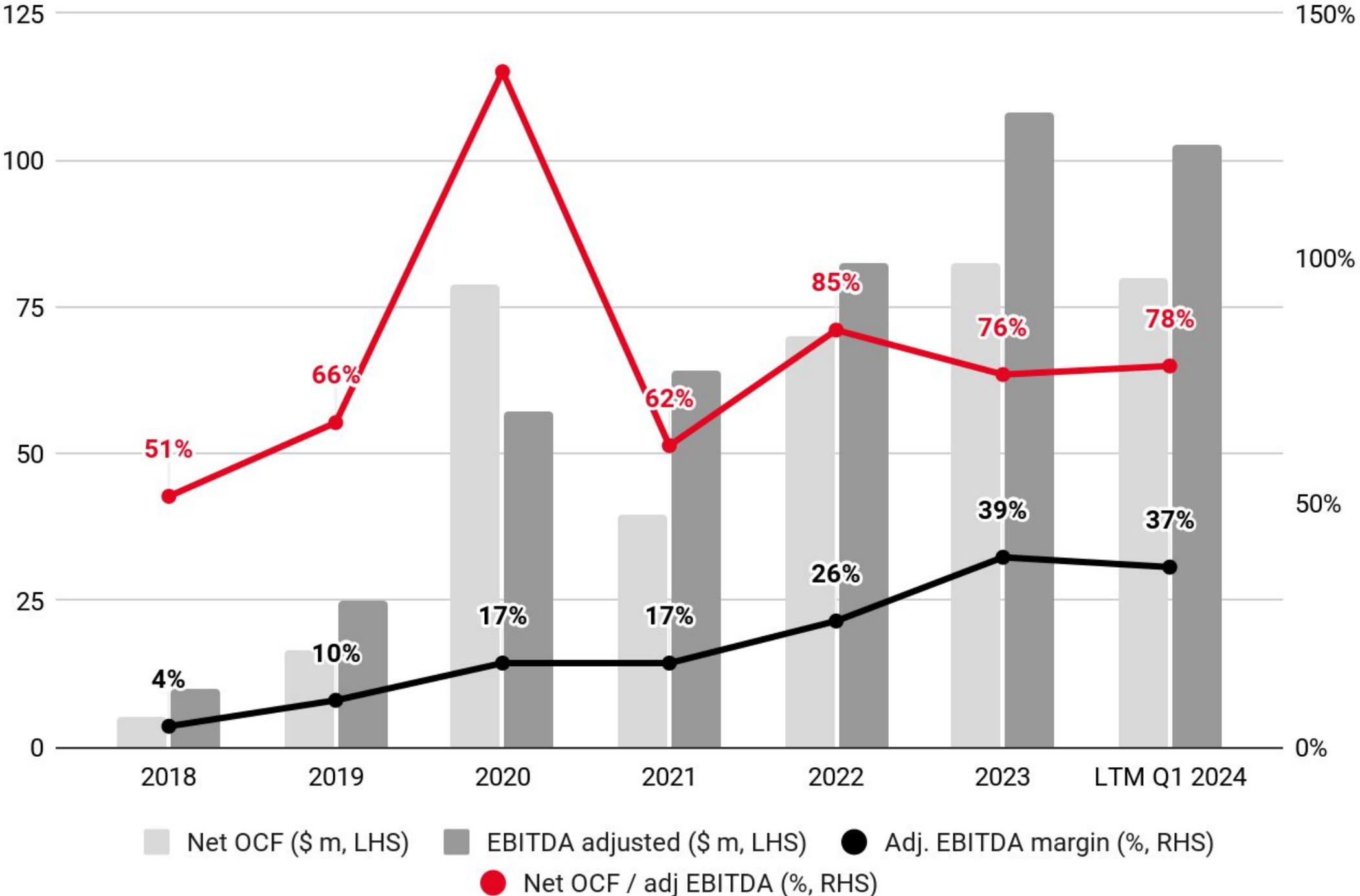


In Q1 2024 we delivered **adjusted EBITDA of \$22m** and **net operating cash flow of \$14.4m**

**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 positioned us well to execute share buyback of **\$70 million in April 2024**

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



# 2024 OUTLOOK - INVESTING IN FUTURE GROWTH



Keeping our profitability on high levels

## 2024 OUTLOOK (YoY)

Revenue	FLAT
Marketing spend	SIGNIFICANT GROWTH
Opex (non-marketing)	SLIGHT DECLINE
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 YoY
- 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 are not planning to further significantly increase UA spending in the coming quarters
- **We are mindful of our costs and based on Q1 2024 performance and current run rate, our operating expenses might actually be slightly lower YoY (not flat as previously guided)**



# HUUUGE

# THANK YOU

---

For more information please see [ir.huuugegames.com](https://ir.huuugegames.com)

## **Q1 2024 EBITDA margins remain high**

User Acquisition costs almost doubled YoY, but overall operating expenses were flat YoY (savings in R&D, G&A and platform fees)

## **Core franchises' KPIs stabilize**

DAU QoQ improvement for 4 consecutive quarters

## **Direct-To-Consumer channel growth**

DTC responsible for 12% of sales in April

# FINANCIAL DATA



Profit & Loss account (USD m)	2021	2022	2023	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Revenue	373.7	318.6	283.4	84.0	79.4	77.5	77.7	71.7	69.2	71.2	71.3	67.0
Cost of sales	-112.2	-98.9	-82.6	-25.5	-24.0	-23.8	-23.6	-21.1	-20.3	-20.6	-20.5	-19.1
<b>Gross profit/(loss) on sales</b>	<b>261.5</b>	<b>221.7</b>	<b>200.9</b>	<b>58.5</b>	<b>55.4</b>	<b>53.8</b>	<b>54.0</b>	<b>50.6</b>	<b>48.9</b>	<b>50.6</b>	<b>50.8</b>	<b>47.9</b>
Sales and marketing expenses, including	-146.2	-88.8	-50.2	-29.9	-27.4	-17.7	-13.8	-9.3	-11.0	-15.3	-14.5	-15.1
<i>User acquisition marketing campaigns</i>	-130.0	-73.7	-35.3	-26.3	-23.1	-14.2	-10.1	-6.3	-7.7	-10.9	-10.4	-11.8
<i>General Sales and marketing expenses</i>	-16.2	-15.1	-14.8	-3.6	-4.2	-3.5	-3.8	-3.1	-3.3	-4.5	-4.0	-3.3
Research and development expenses	-33.1	-29.6	-22.0	-9.0	-7.9	-6.3	-6.5	-7.5	-5.4	-4.8	-4.5	-5.7
General and administrative expenses	-38.0	-39.6	-34.5	-9.1	-9.2	-11.6	-9.7	-9.6	-8.0	-7.6	-8.9	-8.0
Impairment of intangible assets		-26.1					-26.1	0.0	0.0	0.0	0.0	0.0
Other operating income/(expense), net	0.4	1.0	-0.2	0.1	0.2	0.4	0.3	0.4	0.0	-0.2	-0.3	-1.0
<b>Operating result</b>	<b>44.6</b>	<b>38.6</b>	<b>94.1</b>	<b>10.7</b>	<b>11.2</b>	<b>18.5</b>	<b>-1.8</b>	<b>24.5</b>	<b>24.4</b>	<b>22.5</b>	<b>22.6</b>	<b>18.1</b>
Finance income	0.0	2.2	5.8	0.2	0.0	0.7	1.3	1.6	2.1	0.7	1.4	2.1
Finance expense	-45.6	-1.7	1.2	-0.1	-1.2	-0.7	0.2	-0.1	-0.1	-0.3	-0.6	-0.1
<b>Profit/(loss) before tax</b>	<b>-1.0</b>	<b>39.1</b>	<b>98.8</b>	<b>10.7</b>	<b>10.0</b>	<b>18.6</b>	<b>-0.2</b>	<b>26.0</b>	<b>26.5</b>	<b>22.9</b>	<b>23.4</b>	<b>20.1</b>
Income tax	-8.7	-7.0	-16.6	-1.8	-1.3	-3.3	-0.6	-3.6	-4.7	-4.3	-3.9	-3.6
<b>Net result for the period</b>	<b>-9.7</b>	<b>32.0</b>	<b>82.2</b>	<b>8.9</b>	<b>8.6</b>	<b>15.3</b>	<b>-0.9</b>	<b>22.4</b>	<b>21.7</b>	<b>18.7</b>	<b>19.4</b>	<b>16.5</b>

Balance sheet (USD m)	2021	2022	2023	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
<b>Total non-current assets</b>	<b>67.5</b>	<b>37.4</b>	<b>29.8</b>	<b>65.4</b>	<b>63.2</b>	<b>60.3</b>	<b>37.4</b>	<b>36.5</b>	<b>32.9</b>	<b>30.5</b>	<b>29.8</b>	<b>32.6</b>
<b>Total current assets</b>	<b>232.4</b>	<b>248.9</b>	<b>191.5</b>	<b>225.8</b>	<b>213.2</b>	<b>218.2</b>	<b>248.9</b>	<b>274.6</b>	<b>293.8</b>	<b>163.5</b>	<b>187.6</b>	<b>196.8</b>
<b>Total assets</b>	<b>299.9</b>	<b>286.3</b>	<b>221.3</b>	<b>291.2</b>	<b>276.4</b>	<b>278.5</b>	<b>286.3</b>	<b>311.1</b>	<b>326.7</b>	<b>194.0</b>	<b>217.4</b>	<b>229.4</b>
<b>Total equity</b>	<b>226.1</b>	<b>240.7</b>	<b>177.1</b>	<b>236.3</b>	<b>227.4</b>	<b>238.0</b>	<b>240.7</b>	<b>263.8</b>	<b>286.0</b>	<b>153.7</b>	<b>177.1</b>	<b>193.8</b>
<b>Total non-current liabilities</b>	<b>13.0</b>	<b>10.0</b>	<b>7.2</b>	<b>12.2</b>	<b>11.0</b>	<b>9.8</b>	<b>10.0</b>	<b>9.6</b>	<b>8.6</b>	<b>7.5</b>	<b>7.2</b>	<b>6.5</b>
<b>Total current liabilities</b>	<b>60.9</b>	<b>35.6</b>	<b>37.0</b>	<b>42.7</b>	<b>38.1</b>	<b>30.7</b>	<b>35.6</b>	<b>37.8</b>	<b>32.1</b>	<b>32.8</b>	<b>33.2</b>	<b>29.1</b>
<b>Total equity and liabilities</b>	<b>299.9</b>	<b>286.3</b>	<b>221.3</b>	<b>291.2</b>	<b>276.4</b>	<b>278.5</b>	<b>286.3</b>	<b>311.1</b>	<b>326.7</b>	<b>194.0</b>	<b>217.4</b>	<b>229.4</b>

Cash flow statement (USD m)	2021	2022	2023	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
<b>Net cash flows from operating activities</b>	<b>29.8</b>	<b>71.0</b>	<b>82.4</b>	<b>19.9</b>	<b>6.4</b>	<b>15.8</b>	<b>28.9</b>	<b>16.9</b>	<b>20.5</b>	<b>20.2</b>	<b>24.8</b>	<b>14.4</b>
<b>Net cash from investing activities</b>	<b>-16.0</b>	<b>-32.6</b>	<b>4.1</b>	<b>-25.7</b>	<b>-1.1</b>	<b>-5.3</b>	<b>-0.6</b>	<b>1.4</b>	<b>1.2</b>	<b>0.5</b>	<b>0.9</b>	<b>-2.6</b>
<b>Net cash from financing activities</b>	<b>96.6</b>	<b>-21.8</b>	<b>155.0</b>	<b>0.1</b>	<b>-16.3</b>	<b>-4.8</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-151.9</b>	<b>-1.1</b>	<b>-1.0</b>

EBITDA	53	50	100	13.3	13.8	21.4	1.2	27.0	26.6	24.7	24.9	20.6
<b>Adjusted EBITDA</b>	<b>64</b>	<b>82</b>	<b>108</b>	<b>14.4</b>	<b>13.7</b>	<b>24.5</b>	<b>29.7</b>	<b>27.6</b>	<b>27.5</b>	<b>27.0</b>	<b>26.1</b>	<b>21.9</b>
<b>Adjusted net result</b>	<b>41</b>	<b>65</b>	<b>87</b>	<b>10.0</b>	<b>8.6</b>	<b>18.4</b>	<b>27.7</b>	<b>23.0</b>	<b>22.6</b>	<b>21.0</b>	<b>20.6</b>	<b>17.9</b>

# APPENDIX - KPI'S



(users)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Total DAU</b>	<b>632,113</b>	<b>850,717</b>	<b>911,048</b>	<b>947,188</b>	<b>789,831</b>	<b>610,489</b>	<b>429,787</b>
Core Franchises	509,356	772,029	769,134	628,119	478,960	380,751	334,126
New franchises	0	438	67,422	182,039	251,745	201,703	89,964
Other	122,757	78,250	74,492	137,030	59,126	28,055	5,697

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>888,781</b>	<b>773,229</b>	<b>769,744</b>	<b>727,568</b>	<b>701,620</b>	<b>671,967</b>	<b>557,666</b>	<b>510,702</b>	<b>468,395</b>	<b>426,045</b>	<b>416,609</b>	<b>408,100</b>	<b>409,268</b>
545,487	483,502	452,979	433,872	428,174	384,442	353,568	356,818	344,143	326,640	331,069	334,652	341,901
259,706	243,414	252,353	251,507	239,022	248,754	180,427	138,609	113,468	94,148	81,738	70,502	64,419
83,588	46,313	64,412	42,189	34,424	38,770	23,671	15,275	10,784	5,257	3,802	2,946	2,948

(users)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Total DPU</b>	<b>14,152</b>	<b>21,357</b>	<b>25,498</b>	<b>27,146</b>	<b>25,865</b>	<b>22,266</b>	<b>16,689</b>
Core Franchises	13,265	20,890	23,831	24,095	20,623	18,134	15,205
New franchises	0	2	1,493	2,735	5,068	3,867	1,457
Other	887	464	175	316	173	236	27

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>28,596</b>	<b>26,148</b>	<b>24,364</b>	<b>24,352</b>	<b>24,951</b>	<b>23,123</b>	<b>21,041</b>	<b>19,948</b>	<b>17,814</b>	<b>16,341</b>	<b>16,510</b>	<b>16,089</b>	<b>15,730</b>
23,240	20,820	19,114	19,320	19,788	18,066	17,330	17,352	15,843	14,757	15,231	14,990	14,791
5,199	5,168	5,015	4,891	4,859	4,648	3,456	2,506	1,912	1,563	1,263	1,090	931
157	160	235	142	304	410	254	90	60	20	17	9	8

(%)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Conversion (monthly, MPU/MAU)</b>	<b>4.2%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>4.5%</b>	<b>5.5%</b>	<b>6.3%</b>	<b>8.0%</b>
Core Franchises	4.9%	6.2%	6.5%	7.4%	8.7%	9.7%	9.8%
New franchises	n/a	0.9%	4.0%	2.6%	3.5%	3.5%	3.8%
Other	1.8%	1.4%	0.4%	0.4%	0.7%	1.8%	0.8%

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>5.0%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>5.5%</b>	<b>7.0%</b>	<b>7.9%</b>	<b>8.1%</b>	<b>8.0%</b>	<b>7.9%</b>	<b>7.7%</b>	<b>7.1%</b>
8.3%	8.4%	9.0%	9.1%	8.6%	9.2%	10.7%	10.9%	10.8%	10.1%	9.6%	8.9%	8.2%
3.3%	3.7%	3.5%	3.5%	3.5%	3.2%	3.7%	3.9%	3.8%	3.8%	3.6%	3.8%	3.2%
0.3%	0.9%	0.9%	0.9%	1.5%	1.8%	2.6%	1.2%	1.1%	0.5%	0.6%	0.5%	0.4%

(USD)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ARPPU</b>	<b>0.66</b>	<b>0.76</b>	<b>0.78</b>	<b>0.96</b>	<b>1.30</b>	<b>1.43</b>	<b>1.81</b>
Core Franchises	0.80	0.83	0.90	1.36	1.88	2.07	2.23
New franchises	n/a	0.10	0.27	0.27	0.48	0.39	0.33
Other	0.07	0.09	0.04	0.06	0.08	0.13	0.06

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>1.20</b>	<b>1.39</b>	<b>1.30</b>	<b>1.32</b>	<b>1.33</b>	<b>1.29</b>	<b>1.50</b>	<b>1.66</b>	<b>1.70</b>	<b>1.77</b>	<b>1.88</b>	<b>1.90</b>	<b>1.80</b>
1.72	1.96	1.93	1.93	1.92	2.00	2.17	2.23	2.19	2.21	2.28	2.25	2.09
0.46	0.50	0.48	0.47	0.44	0.38	0.37	0.36	0.35	0.33	0.32	0.31	0.31
0.07	0.09	0.07	0.10	0.15	0.14	0.11	0.07	0.07	0.08	0.06	0.04	0.03

(USD)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Daily ARPPU</b>	<b>28.7</b>	<b>29.9</b>	<b>27.8</b>	<b>32.8</b>	<b>38.0</b>	<b>38.0</b>	<b>46.0</b>
Core Franchises	30.2	30.4	28.9	35.3	43.5	43.4	49.1

1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
<b>35.7</b>	<b>39.5</b>	<b>39.3</b>	<b>37.7</b>	<b>35.9</b>	<b>36.1</b>	<b>38.9</b>	<b>41.7</b>	<b>44.0</b>	<b>45.6</b>	<b>46.8</b>	<b>47.7</b>	<b>46.3</b>
40.3	45.4	45.7	43.4	41.5	42.4	44.4	45.9	47.6	49.0	49.5	50.2	48.4

# APPENDIX - GLOSSARY

---



**ARPPU** Average revenue per daily active 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