



Warsaw, 24th November 2021

HUUUGE, INC. COMPLETES Q3 2021 WITH DOUBLE DIGIT REVENUE GROWTH AND MORE THAN DOUBLED ADJUSTED EBITDA.

Huuuge, Inc., a global developer and publisher of free-to-play games, has published its financial results for the 3rd quarter of 2021.

- In Q3 2021 Huuuge reached double-digit, 17% yoy growth in revenue. This growth was driven by both core and new franchises.
- Revenue growth was generated despite flat yoy user acquisition costs and this translated into an increase in adjusted EBITDA by 106% yoy, to USD 17.7m, and adjusted net profit by 45% yoy, to USD 11.4m.
- Revenue from the new games increased by 130% in Q3, with Traffic Puzzle being the main contributor. The game's revenue for the third quarter increased almost six times yoy, and amounted to USD 8.7m. The user base keeps growing, and the number of DAUs surpassed 220,000 in October 2021. The handover of the game following the M&A transaction was completed in November 2021.
- Revenue for the third quarter from the company's core franchises (*Huuuge Casino* and *Billionaire Casino*) increased by 9.5% yoy which is above the social casino segment dynamics. The main growth driver was an increase in monetization metrics.
- The advertising revenue doubled in Q3 2021, thanks to the casual games in Huuuge's portfolio which are monetized largely through in-app advertising.
- During Q3 Huuuge signed one new publishing deal, reaching the total of three publishing deals signed this year.

According to **Anton Gauffin, founder and CEO of Huuuge**: *“Great performance of Traffic Puzzle continues to validate this M&A transaction for us. The game's revenues in Q3 increased almost sixfold, and amounted to USD 8.7m, which constitutes almost 10% of our total revenues. The handover of the game is now completed and we expect Traffic Puzzle to be the main growth driver in the upcoming quarters. Additionally our social casino games show signs of being real evergreen titles that deliver more and more value over time. Meanwhile we continue to build new partnerships and develop our publishing division. During Q3 we signed one new deal, totalling to three publishing deals signed this year. We started the fourth quarter with a review of our 2021 journey and announcement of the new composition of our executive management team, including the next generation of Huuuge leadership, bringing to the management table their excellence, enthusiasm and unique perspectives.”*



KEY FINANCIAL FIGURES

Selected financial data (USD million)	Q3 2021	Q3 2020	Change	9M 2021	9M 2020	Change
Revenue	92.0	78.5	+17.1%	285.2	243.5	+17.1%
Adjusted EBITDA*	17.7	8.6	+106.1%	43.6	54.2	-19.5%
Adjusted EBITDA margin	19.2%	10.9%	+8.3 p.p.	15.3%	22.3%	-7.0 p.p.
Operating result	11.3	6.8	+66.4%	29.0	50.1	-42.1%
Net result	7.3	(2.2)	-	(21.1)	24.8	-
Adjusted net result**	11.4	7.9	+45.0%	27.1	45.6	-40.6%

* Adjusted EBITDA is EBITDA adjusted for non-recurring events that are not related to the core activity of the Group and share-based payment expense.

** Adjusted net result defined as the net result for the year adjusted for non-recurring events that are not related to the core activity of the Group, share-based payment expense and financial expenses related to the revaluation of the liability related to Series C preferred shares. Along with conversion of Series C shares into ordinary shares immediately before the public offering conducted in the 1st quarter, Series C shares will no longer be reported as financial obligations going forward.

Revenue for 9M 2021 increased by 17.1% and the key driver for growth was improved user monetization in Huuuge's franchises, which more than offset a decline in DAU. The advertising revenue increased by 181% in 9M 2021, which resulted primarily from, launching of casual games monetized largely through in-app advertising.

Huuuge's adjusted EBITDA for Q3 was USD 17.7m which is 106% higher yoy. Meanwhile the adjusted net result increased by 45% and reached USD11.4m.

The adjusted EBITDA for 9M 2021 decreased by 19.5% which was related to the increase in operating expenses (primarily resulting from the higher budget for User Acquisition campaigns yoy allocated mainly in the first half of the year). The decrease was partially offset by an increase in the revenue.

KEY PERFORMANCE INDICATORS

Selected KPIs	Q3 2021	Q3 2020	Change
DAU [thousands of users]	769.7	944.5	-18.5%
DPU [thousands of users]	24.4	25.4	-4.1%
ARPDau at the Group level [USD]	1.3	0.9	+43.9%
ARPPU—core franchises [USD]	45.7	35.3	+29.4%
Monthly conversion from player to payer %—core franchises	9.0%	7.7%	1.3 p.p.



In Q3 2021 average revenue per paying user (ARPPU) increased by 20%. ARPPU growth for the core franchises was 29.5%. The improvement of both ARPPU and conversion rate in Q3 more than offset the decline of DAU and MAU, related to a lower number of installs. New franchise DAU increased, mainly due to further scaling of *Traffic Puzzle*.

According to **Grzegorz Kania, CFO of HUUUGE**: *"We have been able to consistently improve the monetisation KPIs of our core franchises thanks to the social features of our games combined with live events and special offers. This trend continued in Q3 2021 and we saw another quarter of increase in ARPPU [average revenue per paying user] in the core franchises line, i.e. HUUUGE Casino and Billionaire Casino. These two games continued to exhibit monetisation rates significantly exceeding the category averages. We are excited about the scaling of Traffic Puzzle and based on its current performance metrics, we look forward to seeing the game break even on a sales margin level next year, which will add to the economies of scale we already have in our core franchises. We are also happy to report significant improvement in our Adjusted EBITDA margin to 19.2% in Q3 2021 and remain confident that Q4 2021 will bring double digit YoY Adjusted EBITDA growth on a cumulative, annual basis."*

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ABOUT HUUUGE

HUUUGE is one of the fastest-growing mobile free-to-play games developers and publishers, with a mission to empower billions of people to play together, and a vision to transform mobile gaming into a massively social experience.

HUUUGE games provide entertainment every month to millions of players from across the globe, and its games are available in 17 languages. HUUUGE employs over 600 people at 10 offices around the world. The Company's shares have been listed on the Warsaw Stock Exchange since February 2021.