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HUUUGE, INC., COMPLETES 2021 WITH RECORD-HIGH REVENUE OF USD 374m AND ADJUSTED EBITDA OF USD 64.4m

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

- In 2021 Huuuge reached double-digit, 12% yoy growth in revenue. The core franchises (*Huuuge Casino* and *Billionaire Casino*) increased by 5.3% yoy, and the new franchises grew by 115.5% yoy, mostly driven by *Traffic Puzzle*'s growth by over 246%.
- *Traffic Puzzle*'s user base keeps growing. The number of DAUs in 4Q21 surpassed 200,000, and the run-rate revenue (annualised revenue based on last month's sales number) exceeded USD 35 million at the end of the fourth quarter. According to Huuuge, there is still significant potential for further scaling of this title.
- Adjusted EBITDA increased to USD 64.4m, 12.4% yoy growth, and adjusted net profit was USD 41.1m, compared to USD 48.1m in 2020. These solid results were achieved despite market challenges, including sector-wide uncertainties related to consequences of the COVID-19 pandemic and changes in the Apple privacy policy.
- During 2021 Huuuge signed four new publishing contracts and has ambitions to sign an even larger number in 2022. Additionally, the Huuuge portfolio has been expanded by three new titles: *Brink of Mayhem* (a unique mobile shooter game), *Gatherers* (a social co-op shooter game), and *Rogue Land* (named 'Best Competitive' by Google Play's Best of 2021).

According to **Anton Gauffin, founder and CEO of Huuuge**: *"We are proud of generating solid financial results, despite the market challenges last year. Summing up 2021, it is important to put the spotlight on the acquisition of Traffic Puzzle, which we closed in April, as it perfectly demonstrates the Huuuge way of scaling and growing our business. Going forward we plan to further scale publishing as well as invest in development of new games. We added to our portfolio such titles as Gatherers, Rogue Land and Brink of Mayhem. Innovation and creativity is a part of our DNA. 2022 will be no different in this respect, as we continue to explore the potential of innovation in gaming, specifically Web3 and Blockchain technologies, which are gaining traction in the industry and which we are actively exploring."*



KEY FINANCIAL FIGURES

Selected financial data (USD million)	Q4 2021	Q4 2020	Change	2021	2020	Change
Revenue	88,507	89,192	-0.8%	373,739	332,721	+12.3%
Adjusted EBITDA*	20,727	3,065	+576.2%	64,357	57,272	+12.4%
Adjusted EBITDA margin	23.4%	3.4%	+20 p.p.	17.2%	17.2%	-
Operating result	15,556	66	>999.9%	44,577	50,184	-11.2%
Net result	11,378	(107,359)	-	(9,681)	(82,604)	-
Adjusted net result**	14,018	2,056	581.8%	41,076	48,110	-14.6%

* 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 liability going forward.

Revenue for 2021 increased by 12.3%. The key driver for that uplift was Traffic Puzzle which grew by 246.5% yoy. This was further amplified by improved user monetization in our core franchises, which more than offset a decline in DAU. In Q4 2021 total revenue remained substantially flat compared to Q4 2020.

Huuuge's adjusted EBITDA for 2021 was USD 64.4m, which is 12.4% higher yoy. Meanwhile, the adjusted net result was USD 41.1m, compared to USD 48.1m in 2020, lower yoy due to higher D&A, financial costs as well as higher tax in 2021.

KEY PERFORMANCE INDICATORS

Selected KPIs	Q4 2021	Q4 2020	Change
DAU [thousands of users]	727.6	893.9	-18.6%
DPU [thousands of users]	24.4	27.8	-12.3%
ARPDau at the Group level [USD]	1.3	1.1	+21.9%
ARPPU—core franchises [USD]	43.4	36.9	+17.5%
Monthly conversion from player to payer %—core franchises	9.1%	8.3%	+0.8 p.p.

In the FY 2021 total DAU decreased by 17% year-on-year and was driven mainly by core franchises (-24% year-on-year) while DAU for new franchises was flat, with Traffic Puzzle DAU growth of 199%. The decline in the core portfolio DAU was driven by a lower number of installs.



The new franchise DAU declined due to relocating investment into Traffic Puzzle, a game with promising monetization metrics.

In recent years, HUUUGE has been able to consistently improve the ARPPU of its core franchises owing to the social features of its games as well as constant focus on live events and special offers. In Q4 2021 there was a slight decrease on a qoq basis, while yoy ARPPU in the core franchises increased by 17%. In the whole of 2021 ARPPU increased by 16% yoy and the ARPPU of our core franchises increased by 23% yoy. HUUUGE's ARPPU for the core franchises remains at the top levels in the social casino category.

According to **Grzegorz Kania, CFO of HUUUGE**: *“We have been able to consistently improve the monetization KPIs of our core franchises and remain at the top levels of ARPPU in the social casino category. At the same time, we have been focusing on the longevity of our core games. The scaling of Traffic Puzzle has been going according to the plan. Its user base keeps growing, and the number of DAUs in 4Q21 surpassed 200,000, while the run-rate revenue exceeded USD 35 million at the end of the fourth quarter. We are also happy to deliver double digit adjusted EBITDA growth with a solid 17.2% adjusted EBITDA margin and a solid adjusted net profit, despite the last year’s market challenges.”*

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ABOUT HUUUGE

HUUUGE is a global mobile free-to-play games developer and publisher, 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 9 offices around the world. The Company's shares have been listed on the Warsaw Stock Exchange since February 2021.