

Warsaw, 7 September 2022

## HUUUGE, INC., GROWS EBITDA IN H1 2022 IN THE FACE OF CHANGING MARKET ENVIRONMENT

**Huuuge, Inc., a global game developer and publisher, has published its financial results for H1 2022.**

- Adjusted EBITDA for the period reached USD 28.1m, +8.1% YoY, and adjusted net profit was USD 18.6m, 18.7% higher YoY.
- The growth of adjusted EBITDA was achieved despite the Group's lower revenue, which amounted to USD 163.4m (-15.4% YoY compared to record high H1 2021). The decline was impacted, among other things, by decline in revenue from core franchises (*Huuuge Casino* and *Billionaire Casino*) and from titles discontinued at the end of 2021.
- Huuuge's cash position remains strong, with cash at USD 188.2m after Share Buy Back and Traffic Puzzle payment.
- Huuuge continued the integration of Traffic Puzzle into its portfolio. The title is already responsible for approximately 10% of the Group's revenues. In the coming months, changes necessary to further capitalize on the potential of Traffic Puzzle will be introduced.
- In August 2022 Huuuge initiated a review of its strategic options and indefinitely suspended the purchase of its own shares.



According to **Anton Gauffin, founder and co-CEO of Huuuge**: *"The mobile gaming sector globally has experienced a period of readjustment as pandemic lockdowns eased, resulting in lower consumer spending on mobile games. We anticipated this outcome and focused on the efficiency of our business, generating higher profits in a phase of declining revenue. In the first six months of 2022, Huuuge recorded an adjusted net profit of USD 18.6 million, compared to USD 15.7 million reported in the first six months of 2021. As we look to the next stage of our growth strategy, we have initiated a review of our strategic options and will report back to our shareholders and other stakeholders once this has been completed."*



**Rod Cousens, Co-CEO of Huuuge**, added: *"We believe that the outlook for mobile gaming in the long-term remains positive. The fundamentals of our business model remain extremely strong, based on market-leading, cash-generating games, supporting solid operating cash flows and profitability."*

## KEY FINANCIAL FIGURES

Selected financial data (USD million)	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change
Revenue	79.4	97.5	-18.6%	163.4	193.2	-15.4%
Adjusted EBITDA*	<b>13.7</b>	<b>15.6</b>	<b>-12.1%</b>	<b>28.1</b>	<b>26.0</b>	<b>+8.1%</b>
Adjusted EBITDA margin	17.2%	16.0%	+1.2 p.p.	17.2%	13.4%	+3.8 p.p.
Operating result	11.2	11.2	-0.5%	21.9	17.7	+23.2%
Net result	8.6	9.1	-5.1%	17.6	(28.4)	-
<b>Adjusted net result**</b>	<b>8.6</b>	<b>11.4</b>	<b>-25.1%</b>	<b>18.6</b>	<b>15.7</b>	<b>+18.7%</b>

\* 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 1<sup>st</sup> quarter, Series C shares will no longer be reported as financial liability going forward.

The core franchises (*Huuuge Casino* and *Billionaire Casino*) generated revenue of USD 144.2m in H1 2022 (-15.3% yoy), the decline resulting mainly from lower DAU and focus on profitability and longevity of the player base.

Monthly Conversion for core franchises, which is an indicator of the company's ability to convert players into payers, remained solid, growing from 8.4% to 9.2% in the core franchises.

New franchises represented approx. 12% of total revenues in H1 2022. *Traffic Puzzle*, the main game among the new franchises, generated revenues of USD 16.5m in H1 2022, up 3.6% yoy. Huuuge continues to work on product features.

## KEY PERFORMANCE INDICATORS

Selected KPIs	Q2 2022	Q2 2021	Change
DAU [thousands of users]	672.0	773.2	-13.1%
DPU [thousands of users]	23.1	26.1	-11.6%
ARPPU at the Group level [USD]	1.29	1.39	-6.8%
ARPPU—core franchises [USD]	42.39	45.38	-6.6%
Monthly conversion from player to payer %—core franchises	9.2	8.4	+0.8 pp



According to **Marek Chwałek, EVP Finance of HUUUGE**: “Our cash position as of the end of H1 22 remained strong, with USD 188m cash at hand, despite USD 16.7m spent on the Share Buy Back program and a USD 25m instalment paid for Traffic Puzzle. Our strong performance is further reflected in our EBITDA results. Adjusted EBITDA for the period reached USD 28.1 million, an increase of 8.1% over the equivalent period last year. At the same time, we increased our adjusted EBITDA margin from 13.4% to 17.2%. We are heading towards full year yoy adjusted EBITDA growth and higher cash end of year”

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HUUUGE Games is a global game developer and publisher on a mission to build the world's most social real-time, free-to-play mobile gaming platform

**Play Together.** HUUUGE operates two core franchises. HUUUGE Casino is our flagship title and the world's first social casino community where users can Club together to play the best slot machines and compete in leagues. Billionaire Casino was built on the success of HUUUGE Casino with over 100 slot machines, set within a differentiated aesthetic. HUUUGE also operates Traffic Puzzle, a unique puzzle game with elements of match-3.

The company has its headquarters in the US and is listed in Warsaw, Poland with 9 offices worldwide.