

## **HUUUGE, INC., COMPLETES 2022 WITH REVENUE OF USD 319m AND RECORD-HIGH ADJUSTED EBITDA OF USD 82.3m**

**Huuuge, Inc., a global developer and publisher of free-to-play games, has published its financial results for 2022.**

- Adjusted EBITDA increased to USD 82.3m, 27.9% YoY growth, and adjusted net profit was USD 64.6m, compared to USD 41.1m in 2021 (+57.3% YoY), both measures reaching record-high levels. These solid results were achieved despite market challenges, owing to our strategic shift towards fundamental value creation via profitability and cash generation.
- The gaming industry faced unprecedented headwinds in 2022, with the first year-on-year contraction in its history (-4% YoY, according to Newzoo). Mobile games were hit particularly hard at -5% YoY, while the social casino category contracted by 2.5% YoY. This was due to several factors, including the post-COVID return to recreation, ongoing impact of IDFA depreciation on performance marketing, universal economic slowdown, and rising inflation.
- In 2022 Huuuge revenue reached USD 319m, a 14.7% YoY decline. The core franchises (*Huuuge Casino* and *Billionaire Casino*) declined by 12.2% YoY, reflecting lower marketing spend and the broader post-IDFA market reality. New franchises declined by 33.1% YoY, mostly driven by the gradual decline in *Traffic Puzzle*'s revenue as well as lower other games revenue.
- Looking to the future, Huuuge will refocus its efforts on building games with the creation of creative development 'pods.' The company is also exploring opportunities to expand beyond mobile and give its players the opportunity to enjoy games on multiple devices and platforms.
- Additionally, after completing a thorough strategic options review process, Huuuge's board adopted the recommendation made by the independent special committee of the board and announced plans to conduct a share buyback, which will return up to \$150 million to shareholders



According to **Anton Gauffin, Founder and CEO of Huuuge:** "Our focus on improving profitability and strong cash generation has resulted in record high adjusted EBITDA for Huuuge. We responded proactively to the challenges faced by the industry by focusing on costs and efficiency."

"We are confident that our continued focus on creativity, innovation, improving efficiency, and developing fun games will drive our success in the years to come."

## KEY FINANCIAL FIGURES

Selected financial data (USD million)	Q4 2022	Q4 2021	Change	2022	2021	Change
Revenue	77.7	88.5	-12.2%	318.6	373.7	-14.7%
<b>Adjusted EBITDA*</b>	<b>29.7</b>	<b>20.7</b>	<b>43.4%</b>	<b>82.3</b>	<b>64.4</b>	<b>27.9%</b>
<b>Adjusted EBITDA margin</b>	<b>38.3%</b>	<b>23.4%</b>	<b>14.9pp</b>	<b>25.8%</b>	<b>17.2%</b>	<b>8.6pp</b>
Operating result	-1.8	15.6	n/a	38.6	44.6	-13.4%
Net result	-0.9	11.4	n/a	32.0	-9.7	n/a
Adjusted net result**	27.7	14.0	97.3%	64.6	41.1	57.3%

\* Adjusted EBITDA is EBITDA adjusted for non-recurring events that are not related to the core activity of the Group, asset impairment 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, asset impairment, share-based payment expense and financial expenses related to the revaluation of the liability related to Series C preferred shares (Q1 2021).

## KEY PERFORMANCE INDICATORS

Selected KPIs	Q4 2022	Q4 2021	Change
DAU [thousands]	510.7	727.6	-29.8%
DPU [thousands]	19.9	24.4	-18.1%
ARPPAU at the Group level [USD]	1.7	1.3	+25.4%
ARPPU—core franchises [USD]	45.9	43.4	+5.7%
Monthly conversion from player to payer %—core franchises	10.9%	9.1%	+1.8 p.p.



According to **Marek Chwalek, EVP Finance**: "We reduced marketing expenses by 39% YoY, R&D expenses by 11% YoY, and total operating expenses by 23% YoY. These efforts exemplify our harvesting strategy in action, and have resulted in significantly improved cash generation"



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**Play Together.**

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. On our way to become the global leader in real-time free-to-play casual gaming, we aim to redefine the experience to give maximum joy and fun to players all around the world.

Huuuge's games provide entertainment every month to millions of players from 195 countries and are available in 17 languages. Huuuge shares have been listed on the Warsaw Stock Exchange since February 2021.

**HUUUGE**

