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HUUUGE ACQUIRES TOP GROSSING MATCH-3 HIT GAME - *TRAFFIC PUZZLE*

Huuuge, a global developer and publisher of free-to-play mobile games, has acquired the hit game *Traffic Puzzle* from Picadilla Games, a Polish studio based in Wrocław. The acquisition marks the first significant milestone for the company's growth and M&A journey, as Huuuge expands its reach into the high-growth casual games segment. The total consideration of this acquisition is \$38.9m USD.

"This is very exciting. Traffic Puzzle is an original puzzle game that has quickly grown to be our third-largest game and given the unique match-3 type of experience it offers, what we've seen so far has been just a beginning." said **Anton Gauffin, founder and CEO of Huuuge.** *"The puzzle category in which Traffic Puzzle competes accounts for over half of the \$10.6 billion casual game market, and our increased activity in the category is important to strategic goals. We are buying a winning product that we have come to know very well as its publisher, and we therefore have a very high level of confidence in its growth potential. By acquiring the game from our partner, we will be able to accelerate the growth of Traffic Puzzle thanks to our capabilities, leading F2P know-how and technology. The decision to acquire Traffic Puzzle, a game from within our publishing portfolio, clearly demonstrates the benefits of our Build & Buy strategy and how Huuuge Publishing serves us as a unique and advantaged M&A funnel.*

Traffic Puzzle was initially developed by Picadilla Games sp. z o.o., a Polish studio based in Wrocław. *Traffic Puzzle's* daily active user (DAU) count doubled in 2020 relative to 2019 and its revenues tripled in the same period. The average daily revenue of *Traffic Puzzle* grew from approximately USD \$12,900 in September 2020 to approximately USD \$100,000 a day at the time of signing.

In the game, the player attempts to clear a blocked road by matching three cars of the same colour. The game offers various levels, in which players help police cars, fire engines and ambulances reach their destination, assist helicopters and trains in breaking through blockades, and otherwise ensure the smooth flow of traffic. *Traffic Puzzle* employs a *Free-to-play* business model and revenues are mainly generated through in app purchases.

The game launched in May 2019, and is available on the Apple App Store, Google Play and Amazon Appstore platforms.

Jon Bellamy, Vice President of Strategy and Corporate Development, said: *"The acquisition of Traffic Puzzle solidifies Huuuge's position in the high-growth casual game segment and enables the Company to accelerate its revenue diversification initiative. We anticipate that the positive financial contributions of Traffic Puzzle as a result of the acquisition will be most visible in 2022 and beyond."*



The Puzzle Game Category is Large and Growing Rapidly

Casual games are some of the most frequently downloaded types of mobile games. They are characterized by simple rules and short game session lengths, and thus suit the tastes of a wide audience. The genre of puzzle games, to which *Traffic Puzzle* belongs, is the largest and most noteworthy category within the casual segment, accounting for 56% of casual game revenue in 2020. Alongside social casino games, the category is a primary focus for the company's product line-up.

The puzzle games category is larger than the social casino game segment. According to Eilers & Krejcik, the total value of the puzzle category was USD 10.6 billion in 2020, with a 14.6% five-year historical CAGR. According to long-range forecasts by Eilers & Krejcik, the puzzle game category will grow to USD 14.2 billion by 2025.

The HUUUGE Growth Strategy

The pillars of the "Build & Buy" strategy are expansion of the games developed internally and growth through publishing and M&A.

The Group plans to achieve its vision and mission by focusing on the following objectives:

- Growth of activities in the casual games segment
- Continued improvement in monetization of players
- Expansion and enhancement of the core portfolio
- Expansion and growth of HUUUGE Publishing (the Group's publishing activity)
- Leveraging technology and data analysis to continue margin expansion
- Expanding the Group's business through acquisitions of complementary entities
- Accessing best-in-class talent from around the world.

In 2021 the Group plans to focus in particular on the following objectives:

- Improvement of monetization metrics within existing games
- New product development and scaling of new franchises
- Improvement in profitability and EBITDA delivery
- Expanding business through M&A.



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Visit Huuuge Games [YouTube](#) channel to find out more about the game.

ABOUT HUUUGE

Huuuge is a one of a kind success story where technology meets gaming, truly global growth business that focuses on free-to-play gaming with the mission to empower billions of people to play together and in the process transform mobile gaming into a massively social experience.

The Company's main areas of operation are developing, publishing, scaling and operating free-to-play mobile games to a broad global player base.

Huuuge's games provide entertainment every month to nearly 5 million players from 195 countries and are available in 17 languages. Huuuge employs over 600 people at 10 offices around the world. Huuuge shares have been listed on the Warsaw Stock Exchange since February 2021.