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Any offer to acquire shares pursuant to the proposed Offering will be made, and any investor should make their investment decision solely on the basis of the information that is contained in the prospectus (the "Prospectus") published by the Company in connection with the admission of its shares to trading on the Warsaw Stock Exchange and approved on 26 January 2021 by the Polish Financial Supervision Authority. The Prospectus is the sole legally binding document containing information on the Company and the offering of its securities. A copy of the Prospectus is available from the Company's website at www.huuugegames.com, subject to applicable securities regulations.

Warsaw, 27 January 2021

HUUUGE, INC. PUBLISHES ITS PROSPECTUS AND LAUNCHES ITS INITIAL PUBLIC OFFERING OF SHARES

Huuuge, Inc. ("Huuuge" or the "Company"), a global free-to-play games developer and publisher focused on the fast-growing mobile gaming market, today published its prospectus and is launching its initial public offering (the "Offering").

The Maximum Price in the Offering has been set at PLN 50 per share.

The Offering will comprise a public subscription for up to 15,000,000 newly issued shares of the Company and a public sale of up to 18,350,000 existing shares. The Company expects that gross proceeds from the issuance of new shares will amount to up to approximately USD 150 million. Based on the maximum price, the potential value of the Offering will amount to approx. PLN 1.5 billion and would represent the largest IPO of a gaming sector company in the history of the Warsaw Stock Exchange.

The book-building process among Institutional Investors will take place between 27 January and 4 February 2021. Retail Investors may place orders for shares between 28 January and 3 February 2021 at selected customer service locations of IPOPEMA Securities S.A., and also at customer service locations of other investment firms which are members of the Retail Consortium in Poland and will accept subscriptions from Retail Investors.

Anton Gauffin, founder and CEO of Huuuge, commented: *"Mobile games are the fastest-growing segment of the gaming market, with huge growth potential driven by the increasing penetration of smartphones and the introduction of 5G networks. The innovative play-together experience offered by Huuuge, which foregrounds social aspects, engaging competition in real time and interaction with other players around the globe, are the central element of our approach. Combined with data analytics and personalized marketing, this enables us to acquire, retain and deepen our player relationships, achieving the highest revenue per daily active user in the social casino segment."*



Raising funds from the offering will allow us to accelerate our growth in line with our Build & Buy strategy. We intend to use 90–95% of the proceeds for acquisitions and investments in other companies or assets of companies which complement our offer or competencies. We have identified about 60 potential acquisition targets meeting our criteria. Ten of them are on our shortlist, and we are actively analysing about five of them. I believe that the best is yet to come for HUUUGE, and we want to invite new shareholders to join this new stage of growth.”

SUMMARY OF EXPECTED TIMETABLE OF THE OFFERING

Date	Action
27 January– 4 February 2021	Book-building among Institutional Investors
28 January– 3 February 2021	Acceptance of subscriptions from Retail Investors
No later than 5 February 2021 at 9:00 am	Determination of the final number of Offer Shares in the Offering, the final number of Offer Shares for specific categories of investors, as well as the Final Price of Offer Shares for Retail Investors and the Final Price of Offer Shares for Institutional Investors
5 February (from 9:00 am) – 9 February 2021	Acceptance of subscriptions from Institutional Investors
10 February 2021	Allocation of Offer Shares
On or about 19 February 2021	Anticipated listing date on the Warsaw Stock Exchange

DETAILS OF THE PUBLIC OFFERING

- The Offering will comprise a public subscription for up to 15,000,000 newly issued shares of the Company and a public sale of up to 18,350,000 existing shares held by some of the Company’s major investors, including Big Bets OÜ (and indirectly by Anton Gauffin, founder and CEO of the Company), RPII HGE LLC (an entity controlled by The Raine Group LLC), Naver KIP Cheer up! Gamers Fund, Korea Investment Global Contents Fund (funds managed by Korea Investment Partners), Seoul Investment Patent Venture Fund, Seoul IP Growth Industry Venture Fund (funds managed by Seoul Investment Partners), and Woori Technology Investment Co., Ltd. (the “Selling Shareholders”).
- Currently, the significant shareholders of the Company are Anton Gauffin, the founder and CEO, who holds, indirectly through Big Bets OÜ, shares representing 42% of the total votes at the General Meeting of the Company, The Raine Group LLC., which holds shares representing 25% of the total votes, Korea Investment Partners, which holds shares representing 11% of the total votes and Woori Technology Investment Co., Ltd., which holds shares representing 5% of the total votes.
- Anton Gauffin, founder and CEO of HUUUGE, intends to retain a significant shareholding in the Company.
- The Maximum Price in the Offering has been set at PLN 50 per share.
- The Offering will consist of a public offering to retail and institutional investors in Poland, in accordance with Regulation S, an international offering combining an offering in the



United States of America to qualified institutional buyers in reliance on Rule 144A and an offering to certain institutional investors outside of the United States of America to non-U.S. persons and Poland in accordance with Regulation S.

- Following the Offering, the Company, its directors, Selling Shareholders and certain non-selling shareholders will be subject to a lock-up agreement in respect of their shares following the listing date. It will remain in effect for 360 days following the listing date in the case of the Company and Big Bets OÜ (controlled by Anton Gauffin), and 180 days in the case of the other Selling Shareholders and non-selling shareholders as well as members of Board of Directors (other than Anton Gauffin).
- It is the intention of the Company and the Offerors to offer Retail Investors about **5–10%** of the final number of Offer Shares offered in the Offering.
- Credit Suisse Securities, Sociedad de Valores, S.A. and J.P. Morgan AG are acting as the Joint Global Coordinators and Joint Bookrunners, and IPOPEMA Securities S.A. as a Joint Bookrunner and Investment Firm.
- The Retail Consortium in Poland, accepting subscriptions from Retail Investors, will include IPOPEMA Securities S.A. (Joint Bookrunner and Investment Firm), brokerage houses of mBank S.A., PKO BP, BOŚ, BDM and Noble Securities.

USE OF PROCEEDS OF ISSUE

The Company anticipates that it will raise gross proceeds from the issue of New Shares in the Offering of up to about **USD 150 million (about PLN 565 million)**.

Huuuge intends to use the net proceeds from issuing the New Shares primarily to finance the following:

- approximately 90-95% for extraordinary growth events such as potential acquisitions or investments based on the following assumptions: (i) with a preference to acquire studios with active, established games that generate revenue, demonstrate compelling return on advertising spend profiles; and exhibit the potential for further growth through improved performance marketing activities, (ii) with a focus on mobile free-to-play game developers; however, without excluding possible acquisitions of targets with additive competencies in technology or user acquisition domains and (iii) with a focus on acquisition targets with attractive financial profiles, having a consistent revenue growth or generating EBITDA. As a rule, Huuuge aims to focus acquisitions on targets with a primary target valuation range of USD 20-300 million for targets non-publishing dealflow channel, USD 0.5-20 million for the possible acquisition of targets, with whom publishing agreements have been already concluded or USD 0.5-10 million for the possible acquisitions of targets with additive competencies or technology.
- approximately 5-10% to fund the Company's continued long-term future growth, including in particular: (i) costs associated with the development of new games and development of new features to existing games; (ii) marketing and user acquisitions costs associated with building and maintaining of the player base; and (iii) continued development of the game publishing business.

Huuuge has initially identified about 60 possible acquisition targets meeting the criteria specified above. Around 10 of these acquisition targets are currently on the Company's short list and Huuuge actively analyzes about 5 of them.



STRATEGY

The HUUUGE vision is to transform mobile gaming into a massively social experience and the Company's mission is to empower billions of people to play together. HUUUGE's goal is to achieve this mission in partnering with game creators and studios with the highest potential.

HUUUGE's strategy is a two-pronged "Build-and-Buy" framework. The Company intends to focus on further expanding its games developed internally ("Build" strategy) and inorganic growth of its business through publishing and M&A ("Buy" strategy). HUUUGE plans to achieve its vision and mission by focusing on the following objectives:

- Expand our business via acquisition of complementary targets
- Grow HUUUGE's activities in the casual gaming subgenre
- Continued monetization of player cohorts
- Expand and enhance core social casino offering
- Build and grow the HUUUGE Publishing function
- Leverage technology and data services to continue margin expansion
- Access best-in-class talent from around the world

KEY STRENGTHS

- A leader in social gaming
- Data-centric approach to development and performance optimisation of games
- A global leader in the social casino sub-genre of social gaming
- Highly valuable and loyal user base with best-in-class monetisation metrics
- Strong marketing and user acquisition capabilities enhanced with technology
- Fast growing top-line and cash flow generation underpinned by scalable business model
- Founder-led, visionary and experienced team with a strong record of success

Selected financial data and KPI's	2017	2018	2019	CAGR 2017-19	9M19	9M20	yoy
Revenue [USDm]	152	236	259	31%	187	244	30%
Adjusted EBITDA [USDm]	-4.3	10.1	24.8	na	9.3	54.2	486%
Adjusted EBITDA margin	-2.9%	4.3%	9.6%		4.9%	22.3%	
Operating result [USDm]	-5.1	7.6	14.2		6.1	50.1	+721%
Net result [USDm]	-9.1	2.9	4.3		-0.7	24.8	
DAU [thousand users]	632	851	911	20%	na	965	
Group ARPDau [USD]	0.66	0.76	0.78	9%	na	0.92	
MAU [million users]	3.3	3.7	4.0	10%	na	4.7	
Monthly conversion total	4.2%	5.5%	5.5%		na	4.4%	
Monthly conversion core franchises	4.9%	6.2%	6.5%		na	7.2%	



HUUUGE HIGHLIGHTS

Huuuge is an international free-to-play games developer and a global publisher of digital games on mobile and web platforms, with a **mission to empower billions of people to play together**, as part of the Huuuge vision to transform mobile gaming into a massively social experience.

In order to continue building one of the global leaders in real-time, free-to-play mobile gaming, Huuuge aims to redefine the user experience by offering best-in-class live operations and innovative social features in its games.

Mobile games, including smartphone and tablet games, constitutes the largest (45%) and fastest-developing part of the global games market accounting for approximately USD 69 billion of consumer spending in 2019, with an expected annual growth rate of 12.6% through 2022E¹.

Huuuge is one of the fastest-growing mobile game developers², having generated annual consolidated revenue growth of 30.6% in the period between 2017 and 2019 (CAGR). The Company develops and publishes its games globally and its users play its games in almost every country in the world.

The Company's major areas of operations are developing and publishing mobile games across Huuuge's global player and customer base. Development encompasses a full range of activities from generation of the initial idea, through beta testing and ultimately to global launch and live-operations. Huuuge has a proven track record of developing successful games within the social casino genre with its core titles: Huuuge Casino and Billionaire Casino. Publishing encompasses activities from the launch of a game onwards, including building relationships with distributors, marketing and continuous post-launch game optimisation.

Huuuge operates through three main divisions, Mighty, Brave and HuuugeX. These divisions manage Huuuge's internal and external studios and its games, while growing the Huuuge portfolio. They are responsible for the Company's core offering of games within the social casino subgenre (Mighty), for casual games through publishing deals (Brave) and for innovative new generation casual games (HuuugeX).

Huuuge currently has multiple games at various stages of maturity in its portfolio, including, among others: social casino games such as Huuuge Casino, Billionaire Casino, Stars Slots and Huuuge Bingo Saga; casual games, such as those under the Coffee Break Games label, Traffic Puzzle, Transport it!, Trolls Pop and Luna's Quest Bubble Shooter; and games in the early stages of development such as Arena, Rogue Land, Arrows & Empires and Solitaire TriPeaks: Adventure Journey.

As of September 30, 2020 Huuuge had 4.74 million Monthly Active Users ("MAU") compared to 3.98 million, 3.72 million and 3.32 million as at calendar year end 2019, 2018 and 2017, respectively.

¹ Source: Newzoo

² Source: App Annie



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