Kuuhubb Reports Audited Annual Financial Results and Issues CEO Letter to Shareholders

Toronto, Canada – November 8, 2018 - Kuuhubb Inc. ("Kuuhubb" or the "Company") (TSXV: KUU), a technology company focused on acquiring, developing and distributing mobile game applications, is pleased to announce that it has released its audited annual financial results for the financial year ended June 30, 2018. The results have been filed with the Canadian Securities Administrators and are now available on SEDAR.

In conjunction with this filing, the Company has issued the following letter from the Company's CEO to shareholders:

Dear fellow shareholders,

In June 2017, Kuuhubb became a publicly listed company and set out on a journey to become a leading acquirer and developer of mobile games. We refined our growth strategy and focused on the female lifestyle niche and gaming segment, while adding social elements enhancing user experience and building an engaged and active gaming community. This strategic shift led to Kuuhubb acquiring its flagship mobile app Recolor in August 2017. Along with the acquisition of the interior design mobile app Neybers in November 2017, Kuuhubb secured the full global rights and revenues to the medical simulation game, My Hospital, during the quarter ended June 30, 2018.

Over a short period, we have continued to build a leading lifestyle game portfolio and solidify our position as a niche gaming industry innovator. It has been an exciting and challenging year featuring the following highlights:

Key Milestones:

- From its humble consulting roots, Kuuhubb has become a niche mobile app gaming company generating revenue of $20.8M USD.
- Two key revenue generating assets during financial year were Recolor and My Hospital.
- Three next generation growth products under development: beta-testing, soft-launch and full launch - Recolor by Numbers, Dancing Diaries and Matching Stories.
- One established mobile game app currently being rebranded and relaunched: Neybers interior design app.
- All time app downloads of +50M
- Quarterly* sessions of +200M
- Quarterly* active users of +14M
- Quarterly gross* revenue of $4.9M
- Four primary monetization strategies currently generating revenue:
    - **Freemium (in-app purchases)** - users download mobile games for free but only with limited features and functionalities. Kuuhubb then charges users via in-app purchases to unlock and access premium content. This may consist of subscription-based pricing or fees for certain features or content access.

- **In-App Advertising** - Users download the mobile app free-of-charge with revenues being generated from advertisements (display or video ads). Users view ads in exchange for accessing the mobile app or content at no cost.
- **Paid Subscription** - Users are charged an initial one-time or recurring subscription fee to gain full access to the mobile app free of ads.
- **Global Brand Partnership** – Bespoke co-marketing partnerships where global brands can reach Recolor's targeted user audience.

**Q4 (April-June 2018)*

Make no mistake, the mobile app space is extremely competitive with many players of all sizes. By being nimble and quickly pursuing new growth opportunities, we achieved success in shifting our core strategy to "female lifestyle gaming with elements of community interplay". In 2018 we explored and invested time and resources into other growth opportunities such as eSports and potential applications of blockchain. The valuable time, resources and capital deployed in exploring these prospective opportunities re-affirmed the Kuuhubb team's belief that the "female lifestyle mobile app segment niche" must be the resolute focus of our core business.

Global Product Initiatives:
While continued improvements to our revenue generating products such as Recolor and My Hospital continue to be implemented, Kuuhubb is building and expanding its mobile gaming app portfolio globally across demographics and into various lifestyle categories (e.g. Stress Relief, Entertainment, Interior Design and Storytelling Match 3 games). Here are some of the new products and key product improvements we are working on launching:

- **Recolor:** Recolor is presently going through some major feature improvements that will be incrementally launched by the end of calendar year 2018 and fully by end of Q1 2019. The main benefits the improvements will focus on are: improved conversions from trial to subscriber as well as an enhanced user experience flow within the app. Besides this, we are working on new additional monetization mechanics, alongside with existing subscription, advertising and tier-one brand partnerships. Please also note, Recolor experienced a onetime technical issue in a distributor's platform which negatively impacted revenue and profitability during the quarter ended June 30, 2018.

- **Recolor by Numbers:** The latest trend in colouring; colour by numbers is a quick way to be creative. Unique "loop colouring" in Recolor by Numbers is based on proven Recolor content instead of pixels. It appeals to a younger audience; approximately 40% of users are under 25 years old. Based on the existing apps on the market, 75% of users of similar apps are female. Market leader number colouring apps are generating approximately $2M USD per month. Kuuhubb expects to have soft-launched Recolor by Numbers by the end of the calendar year 2018, and to have a full commercial launch live in the first quarter of calendar year 2019.

- **Dancing Diaries:** Dancing Diaries (working title) combines the very popular Match 3 gameplay with a unique 3D dance narrative meta game. Players take the role of manager of a 'girl next door' dance enthusiast, whom they lead through a dance career, from early practice of individual dance steps, through learning entire dance routines and eventually performing in tournaments around the world. Approximately 80% female audience, the majority of the users are between 18-45 years of age. The Match

3 gameplay genre has proven to be appealing to users globally. Kuuhubb expects to have soft-launched Dancing Diaries by calendar year end 2018, and have full commercial launch live in the first quarter of calendar 2019.

- **Matching Stories:** Matching Stories is the first game to combine casual Match 3 with Visual Novel-like stories, a unique mix of two very successful genres. The game is targeted at 25+ year old women who enjoy relaxed and immersive gaming experiences. Approximately 85% of users are female. Since 2013, Match 3 games have generated billions of dollars of revenue on a yearly basis; e.g. Playrix has generated revenues of $1.3B USD with two Match 3 games. Kuuhubb expects to have soft-launched by the beginning of calendar Q2 2019, and have a full commercial launch live by 2019 calendar year end.

- **Incolour:** Incolour is a stand-alone app with global access. It utilized the best functionalities and learnings of Kuuhubb´s Recolor app. Approximately 85% of users are female. In March 2018, the Company incorporated Recolor India Private Limited to carry on the business activities of the Incolour app. With the localized Indian content we get the attention of the Indian market, fans of India illustrations across the globe, and millions of Indian origins living abroad. Currently Incolour is in MVP launch stage in India with +600k downloads. Kuuhubb expects to have soft-launched Incolour by the end of calendar Q1 2019, and have the full commercial launch live by the end of calendar year 2019.

- **Neybers:** A female lifestyle and interior design mobile app where users can decorate rooms by arranging more than 16,000 realistic digital decoration items. Users can then share their ideas and designs within the app community or external social networks. Kuuhubb is expecting to comprehensively revamp Neybers by gamifying and strengthening the social aspect of the app. The game is targeted at 25+ year old women who enjoy interior design and decorating. Approximately 80% of the users are female. Kuuhubb expects to have Neybers commercial launch in calendar year 2019.

Corporate Developments
We strengthened our team in 2018 and established a highly experienced game development team in Helsinki to develop new games and apps in-house and further improve the existing products in conjunction with its tech and development team in Zagreb, Croatia and publishing team in Amsterdam, The Netherlands. Kuuhubb now has an international team of 70 professionals in the fields of management, finance, legal, business development, user acquisition, publishing, production, game development, graphic art, content, customer service and live operations.

Recolor Brand Partnerships
Kuuhubb continues to leverage its global brand partnerships to drive user and revenue growth. In 2018, Kellogg’s, Lionsgate, Ben & Jerry’s and Fazer were just a few global brands that partnered in creative cross-marketing collaboration campaigns with Recolor. Through Recolor’s bespoke co-marketing partnership, brands can reach large target audiences (females) in a more efficient and meaningful manner, with user engagement quantified at 10+ minutes per average colouring task.

Average Monthly Brand Campaign Results:

- Banner Impressions: 60.7M
- Unique Banner Impressions: 3.3M
- Clicks: 383,000
- Colouring Tasks: 356,700
- Average Colouring Time: 11 minutes
- Social Media Shares on Recolor: 104,300

Source: Recolor App metrics. One month campaign average results.

Kuuhubb expects to continue to grow its brand partnership network in 2019 within Recolor and within its new product suite.

Capital Requirements

With so many new product launches and commercialization initiatives underway for end of 2018 and through 2019, we will undoubtedly require additional capital to move forward. In August 2018, we announced a proposed €2,000,000 Euro convertible debenture financing (the "Proposed Financing"). The debenture will have an interest rate of 5.5% per annum (with the interest payable every six months), will mature on the date which is three years from the closing date of the Proposed Financing, and is convertible at the option of the holder into common shares of Kuuhubb at a conversion price of Cdn$1.10 per share.

Though the Proposed Financing has still not closed, the Company received on October 12, 2018 approval from the TSX Venture Exchange ("TSX-V") for a 30-day extension under the TSX-V's rules to close the Proposed Financing. Closing of the Proposed Financing remains subject to the execution of the definitive documentation.

In addition, we are pursuing other non-dilutive funding partnerships.

Audited Annual Financial Results for the Financial Year Ended June 30, 2018

- The Company recognized revenue of $20,795,398 USD during the 12 months ended June 30, 2018. This revenue was generated from the Recolor app sales revenue totaling approx. $16M USD and from sales revenue from the My Hospital game totaling of approx. $5M USD.
- The Company incurred cost of sales of $7,736,074 USD during the 12 months ended June 30, 2018. The cost of sales is mainly related to app store fees.
- The Company incurred consulting and professional fees of $1,010,061 USD during the 12 months ended June 30, 2018. These fees were related to Kuuhubb listing costs, financing costs, acquisition costs of Recolor and Neybers, and professional fees associated with the My Hospital publishing partnership.
- The Company showed EBITDA of negative $3,082,101 USD by adding interest expenses of $375,809 USD, the non-cash items of depreciation and amortization of $8,501,602 USD, share-based compensation of $2,395,683 USD, impairment of goodwill of $4,000,799 USD and subtracting tax recovery of $1,411,012 USD and foreign exchange gain of $335,094 USD from the Company's net loss of $16,609,888 USD for the 12 months ended June 30, 2018.
- The Company had shareholders' equity of $9,708,134 USD as of June 30, 2018
- The authorized share capital of the Company consists of an unlimited number of common shares. The Company currently has outstanding 55,506,575 common shares, 1,366,700 common share purchase warrants and 5,715,000 stock options.

	Three months ended June 30, 2018		Three months ended March 31, 2018		Three months ended December 31, 2017		Three months ended September 30, 2017	
Revenue ($'000)	$	4,936	$	6,671	$	6,345	$	2,843
Net loss ($'000)	$	(10,280)	$	(3,450)	$	(1,117)	$	(1,763)
Net loss per share (basic and diluted)	$	(0.20)	$	(0.07)	$	(0.02)	$	(0.05)
EBITDA	$	(1,166)	$	(73)	$	(150)	$	(1,692)

Chart Source: Kuuhubb Inc. – Management's Discussion and Analysis (as of June 30, 2018)

In a short time, we have made significant leaps. We started as a small team based in Helsinki, Finland, with the big idea of building a global mobile gaming company. We have had challenges, and still face some, but we firmly believe that Kuuhubb is positioned for strong growth in 2019.

Thanks to all those who continue to support us.

Regards,

Jouni Keränen
Chief Executive Officer

About Kuuhubb

Kuuhubb is a company active in the digital space that focuses mainly on lifestyle and mobile game applications for the female audience. Its strategy is to create sustainable shareholder value through acquisitions of proven, yet underappreciated, assets with robust long-term growth potential. Headquartered in Helsinki, Finland, Kuuhubb has a global presence with a strong focus on developing U.S. brand collaborations and Asian partnerships.

EBITDA - Non-IFRS Measure

EBITDA is intended to provide additional information to investors and analysts. EBITDA does not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate EBITDA differently.

Cautionary Note Concerning Forward-Looking Information

This press release contains forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to future revenue and development, growth of the Company's business and the closing of the Proposed Financing) are forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, risks related to the growth strategy of the Company, the possibility that results from the Company's growth plans will not be consistent with the Company's expectations, failure to execute the definitive documentation in respect of, or complete, the

Proposed Financing, the need to satisfy conditions precedent with respect to the Proposed Financing, the possibility that the completion of the Proposed Financing may be delayed or that the terms of the Proposed Financing may change, the early stage of the Company's development, competition from companies in a number of industries, the ability of the Company to manage expansion and integrate acquisitions into its business, future business development of the Company and the other risks disclosed under the heading "Risk Factors" in the Company's annual information form dated November 8, 2018 filed on SEDAR at www.sedar.com. Forward-looking information speaks only as of the date on which it is provided and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward- looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

Kuuhubb Inc.
Jouni Keränen - CEO
jouni@kuuhubb.com
Office: +358 40 590 0919

Bill Mitoulas
Investor Relations
bill@kuuhubb.com
Office: +1 (416) 479-9547