

Financial Guidance. NO 1-2016

Copenhagen, January 6th 2016.

Hugo Games A/S vision is to become a Nordic tier-one mobile company within the next three years.

Our own tier-one definition/target is as follows:

- To have at least five million daily active users (DAU's) by the end of 2018.
- To have an average net revenue per daily active user of at least 0,15 DKK.
- To reach a positive cash flow.
- To obtain as much predictability in product performance and financial results as possible.

The above definition is a continuation of our earlier stated "3-fold strategy" where we will produce a sizeable amounts of games within three main pillars:

- a. Hugo branded games,
- b. acquired brands and content
- c. celebrity brands.

Through execution of this strategy, we will secure a broad product portfolio, which will ensure the company the strategic strength and flexibility needed and which is deemed important in the dynamic gaming industry. Based on the last 6 months work we expect to utilize at least some of the opportunities we see ahead of us.

In 2016 we have a product pipeline of seven titles, that will all be released globally. Two of these titles are already in soft-launch in select territories. See below.

On the organizational side we have strengthened the company with several key positions, hereunder but not limited to a Chief Operating Officer, a Game Studio Lead, a Digital Marketing Manager; and will continue to strengthen the organization in Copenhagen.

If we sum all this up we see 1) a great line-up of product 2) great opportunities to expand the business 3) strong team, in other words we feel more poised than ever to gain a global success in within the mobile gaming industry.

With the above in mind we present the following financial guidance for 2016:

	Users		Net revenue		EBITDA	
	1000 daily active users		1000 DKK		1000 DKK	
Q1 2016	277	- 338	2.887	- 3.528	-3.165	- -2.544
Q2 2016	652	- 796	6.751	- 8.252	-1.310	- 89
Q3 2016	1.022	- 1.249	11.008	- 13.454	3.239	- 5.563
Q4 2016	1.366	- 1.669	14.778	- 18.062	6.305	- 9.371
2016 total			35.424	- 43.296	5.069	- 12.479

From looking at the financial guidance for 2016, we estimate a net revenue growth of more than ten times compared to that of 2015. However, we will also release a total of seven new titles and thus invest around of 15 million DKK in development of new games.

Knowing that the games market is very dynamic and volatile, why the financial guidance is a cautious estimation calculated from experience and best judgement. Hugo Games is still in a highly competitive market with the well-known risks and great opportunities.

This is also why the identified uncertainty in EBIDAT is highly related to the uncertainty in net revenue as most of the cost is fixed.



About Hugo Games

Hugo Games A/S (OAX: HUGO) is a Danish mobile interactive entertainment company with a global reach. Hugo games are working hard on making Hugo one of the world's strongest characters – just as it was the case back in the early 90s, where Hugo was aired primetime on national television in more than 40 countries. Hugo subsequently became a huge success as a game character on platforms such as the Commodore, PC, Nintendo and PlayStation.

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