

Hugo Games



InvestorDagen

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Henrik Kølle, CEO

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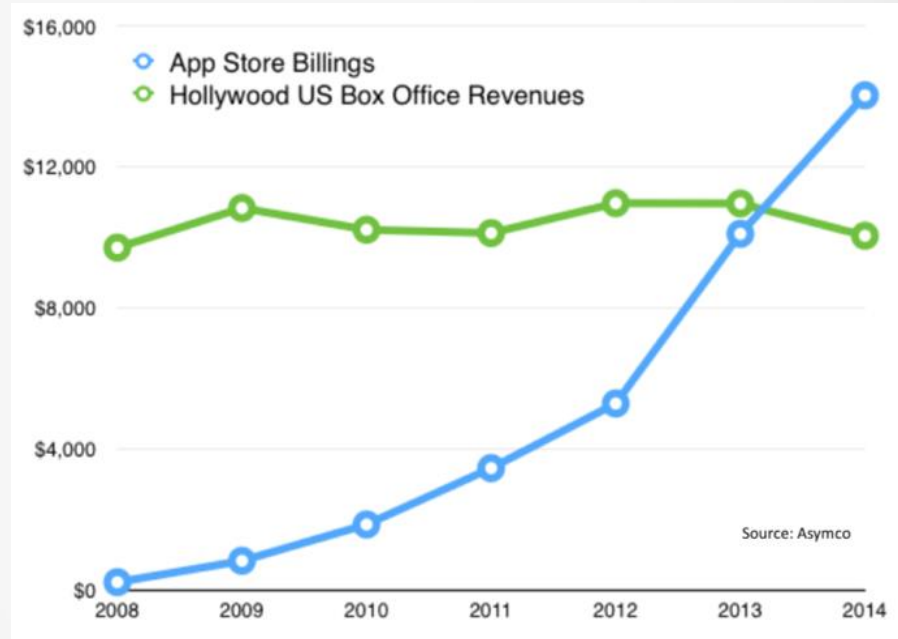
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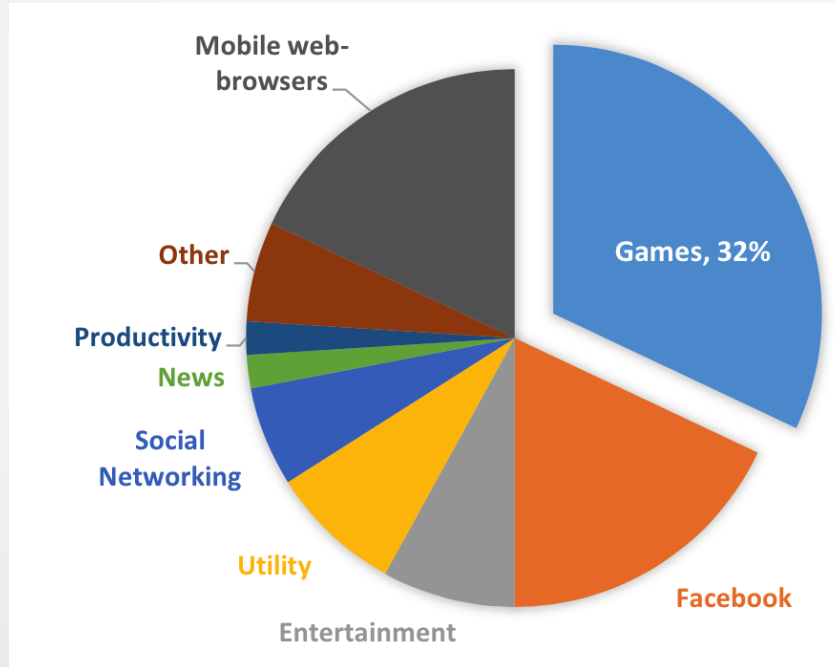
Market info – App store billings

Mobile apps are
now **BIGGER** than
Hollywood

“Apple alone paid USD 10 billion to developers in 2014. As the number was figured out after Apple’s 30 percent cut, and Hollywood US box office revenues for the year were USD 10.2 billion, we can accurately say that mobile app development is bigger than Hollywood”.



Market info – Mobile game usage



“The average time spent playing mobile games in 2014 increased by 57 percent compared to 2012.”

“People spent about 3 hours every day playing games on their iPhones, Android, and tablets.”

Hugo Games – At-a-glance

- A Nordic, publicly traded mobile game company founded in 2011
- Creates, develops and publishes mobile games globally
- Has a strong portfolio of games globally available across a wide range of platforms including iOS, Android, Windows, Amazon and Facebook
- Strategic partnerships with high profile celebrities for increased visibility, awareness and product performance
- 7 released products, 6 products in development and more than 8 product releases planned in 2016



Truly passionate about games and committed to making titles that will engage and bring genuine joy to people for years.

What drives us....

” Our ambition

We are committed to provide exceptional gaming experiences that **PEOPLE** recommend to family and friends, **EMPLOYEES** are proud of and **INVESTORS** seek for long-term returns.

” Our vision

To Become a Nordic Tier-One Mobile Game Company By End 2018

Key Employees



Henrik Kølle
CEO

Active in the mobile gaming market since 2008, exit of a mobile gaming company to Egmont (largest media house in Scandinavia in 2012). Former investor and chairman in the fitness app Endomondo (exit to US based Under Armour in 2015, value USD 85m).
Founder of Hugo Games in 2010



Peter Ekman
CFO

State authorised public accountant specialised in business finance and accounting.



Søren Kokbøl
COO & IR

More than 20 years of successful C-level experience within digital media and games. Worked with media companies such as Sony, Egmont and many more.



Mogens Agger
License Manager

Many years of experience in managing global licenses and a strong network within licensing and celebrity-agents.



Jeppe Kilberg
Studio Lead

More than 10 years of experience in leading creative teams and creating engaging games. Comes from a position as Studio Lead at Kiloo, the creator of Subway Surfers.



Ricard Flower
Studio Lead

Owner of Fuzzy Frog Studio and has more than 10 years of industry experience working for major companies like Electronic Arts, Core Design and Circle Studio.



Aaron Jenkins
Project Manager

Computer Games industry veteran with vast experience from having worked with many studios and numerous projects.

2016: Strong pipe-line

Q1



Hugo Troll Race 2



Axe in Face 2

Q2



Hugo Flower Flush



Ronaldo: Kick 'n' Run

Q3



Street Soccer Ultimate

Q4



Cam Newton:
Football Ultimate



Nyjah Huston:
Super Skater



Hugo Nordic



Fashion Fabulous (WT)

Our 3-fold strategy

In the next years, we will produce games within three pillars; Sports/celebrities, acquired brands and Hugo the Troll. Hugo Games will thereby secure an extended product portfolio providing the flexibility needed in a dynamic gaming industry.



**Sporting games
(celebrities)**



**Partnerships &
acquisitions**



**Original IPs –
Hugo the Troll**

Sporting games - perfect “line up” of celebrities

*Addressing a growing sports- and entertainment segment. Hugo Games is **FIRST MOVER** with such an approach for mobile games*



**Cristiano
Ronaldo**



**Cam
Newton**



**Nyjah
Huston**

Our line-up targets a global market of sports fans while maintaining a strong focus on the US market which accounts for 55% of turnover in app stores.

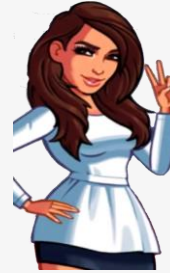
Celebrities have an extraordinary outreach

Kim Kardashian has with her mobile game shown how far you can reach in terms of audience and monetization with a celebrity with his or hers environment, app DKK 700m in gross profit in the first 2 years



111 million followers

VS



29 million followers

Cristiano Ronaldo is the first ever to reach more than 200 mio. followers on social medias

Ronaldo: Kick 'n' Run



| | |
|--------------------------|---------------------------------------|
| Game Title: | Ronaldo: Kick 'n' Run |
| Expected release: | Q2 2016 |
| Genre: | Endless Runner |
| Revenue system: | Mobile advertising + In app purchases |

Description:

"How would you like to be in the shoes of Cristiano Ronaldo – one of the world's top football players? See how it feels to Kick and Run like CR7 in this unique game of skill and precision! Dodge tackles from oncoming opponents, avoid obstacles and score goals while running through the colorful streets of the favela!"

Features:

A cool Street Soccer game to be released in connection with Euro Cup 2016, France. The game has, among many other features, online tournaments and leagues where the players can form teams and compete & challenge each other.

Players can challenge opponents from all over the world in online rankings lists. These social and competitive features will ensure that players stay invested in the game.

Axe in Face 2



| | |
|------------------|---------------------------------------|
| Game Title: | Axe in Face 2 |
| Release quarter: | Q1 2016 |
| Genre: | Tower Defence |
| Revenue system: | Mobile advertising + In app purchases |

Description:

Help Redbeard defend his precious flowers from hordes of invading Vikings, making use of his sharp axe and unparalleled throwing skills, spells from the Gods and awesome power-ups!

Features:

There are always more levels to play and more enemies to behead. Just keep an eye out on those Viking invaders and strike them as they stick their heads out. With a progressive difficulty, innovative tactics, changing environments, exciting spells, Axe in Face 2 will keep you highly entertained.

The game will be pre-installed on 5 million Samsung phones in China released by the end of May.

Games to be released



Street Soccer Ultimate (Q3 2016)

Street Soccer Ultimate is a social football game that will be released Q3. The game is Hugo Games own IP and is taking the benefits from the game engine developed during the last 2 years.



Cam Newton: Football Run (Q4 2016)

An American Football game that places the legendary Cam Newton at centre stage. Inspired by the NFL, the game will have a feature where players can form their own teams and compete against each other.



Nyjah Huston: Super Skater (Q4 2016)

Super cool Street Style Skateboard game, true to the skateboarding culture and to Nyjah Huston. Skills and tricks from the skateboarding world will be implemented in the game.

Partnering with Lima Sky (Doodle Jump)

- Strategic partnership
- An equally joint venture business model.
 - Hugo Games will create and develop the new game originating from the Doodle Jump design
 - Lima Sky will act as the global publisher
- A new mobile game is planned for release in Q1-Q2 2017



The original Doodle Jump is among the most iconic mobile games as well as a strong brand on app stores with hundreds of millions of downloads since the release of the original Doodle Jump. In addition to this the original Doodle Jump currently holds an amazing top 5 ranking among the most downloaded premium titles of all time.

Strong focus on China

Hugo Games signed a contract with Mygamez in 2015 in order to establish its presence in China.

In May, Axe in Face will be pre-installed on 5 million Samsung phones in China as a result of the partnership.

Mygamez in brief:

- Leading publisher of foreign mobile games in China
- Founded in 2013 by Finnish and Chinese mobile business veterans
- Offices in Greater China area (Shanghai, Tianjin, Taipei, Hong Kong), Malaysia, Finland and Canada
- Backed by reputable Finnish and Taiwanese VC funds (Vision+ and Yellowbell)
- Direct distribution deals with over 50 of the biggest Chinese Android application stores
- Direct billing deals with the three national telecom carriers; China Mobile, China Unicom and China Telecom
- Publisher of some of the most successful casual mobile games like; "Hill Climb Racing", "Cut the rope", "Benji Bananas"
- Over 100mill accumulated users in China, 15mill monthly active users (MAU) and 2mill daily DAU
- Strong marketing capability, including store featuring, cross promotion, paid UA, social media etc.



The plan we intend to execute

2015

- IPO
- Investments in strong pipeline
- Increased organisation



2016

- Release of ambitious pipeline
- Implementing first mover strategy with sports stars and games
- Acquiring at least one mobile game company with a strong track record
- Signing partnerships and increase presence in China



2017

- Consolidating position as first mover within sports games
- Expanding presence in China
- Continuously seek new acquisitions
- Fulfil ambition to become tier 1 mobile game company

Q1 Highlights

Operational highlights of the quarter

- Axe in Face 2 and Hugo Troll Race 2 were launched globally in February and March 2016 respectively and Hugo Flower Flush went into soft launch in March (*se Pipeline update page 3*).
- Nyjah Huston - the twenty-one-year-old LA-based skateboard legend – was signed in February 2016 and marks another milestone for Hugo Games entering partnerships with celebrities.

Financial highlights of the quarter

- Revenue amounted to DKKt 792 in Q1 2016 compared to DKKt 909 in Q1 2015 - down 13%. Gross profit of DKKt 674 was in line with the expected level of DKKt 505-618.
- EBITDA before special items was a loss of DKK 3.3m in Q1 2016 compared to a loss of DKK 0.8m in Q1 2015. The original forecast of DKK 2.9m was exceeded because of completion delays and higher marketing expenses for the newly launched games.
- The Group's equity at 31 March 2016 was DKK 48.3m. The equity increase compared to Q1 2015 is due to the flotation of the company. The equity ratio was 81% at 31 March 2016.

Financial performance

| DKK '000 | Q1 2016 | Q1 2015 | 2015 |
|--|---------|---------|---------|
| Revenue | 792 | 909 | 3.198 |
| Gross profit | 674 | 757 | 2,697 |
| Loss before special items (EBITDA) | -3,346 | -807 | -16,627 |
| Operating profit/loss (EBIT) | -6,014 | -3,958 | -33,909 |
| Net financials | 10 | -134 | -3,213 |
| Net loss for the year | -4,716 | -3,492 | -29,431 |
| Total assets | 59.841 | 55,688 | 63,240 |
| Investments in property, plant and equipment | 0 | 0 | 64 |
| Capitalized development costs | 4.959 | 4.659 | 17,259 |
| Equity | 48.289 | 39,131 | 52,055 |

Financial guidance for 2016

Hugo Games retains its guidance for the full year.

- Gross profit in the range of DKK 20 - 25m
- EBITDA before special items in the range of DKK 3.0 - 7.0m

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.

Hugo Games will strengthen its cash position to...



Continue expansion of the sports & entertainment portfolio

Sign-on more sports stars (strong pipeline). We are first mover within mobile gaming with this concept and plan to continue to execute on this strategy with more deals



Expanding market share through acquisitions

Hugo Games is already in negotiations with exciting mobile game companies with strong track record. The target is to acquire at least one company this year



Increase marketing of already launched games



Up-scaling of the organisation when necessary

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QUESTIONS