



Copenhagen, 17 August 2018

## Hugo Games A/S

INTERIM REPORT 1<sup>st</sup> half year 2018

Six months ended 30 June 2018

### CEO-letter: Revenue below expectations in H1 2018

*With the launch of “Kings of Soccer” on April 19<sup>th</sup>, 2018 we expected the revenue to be higher than DKK 2.7m in H1 2018. Reasoning for not delivering a higher number can be categorized into two buckets:*

- 1. We had too many bugs and were missing critical features in the “Kings of Soccer” game when we released it. This led to a low retention rate and a low playing time for the players materializing itself into a lower than expected monetization.*
- 2. Change of the Facebook algorithm into being more restrictive. When our branded football clubs (Real Madrid, FC Barcelona, Juventus, Liverpool, etc.) delivered a Facebook post to their fanbase, we saw a reach of only 30% of what we experienced back in 2017 when Cristiano Ronaldo did similar posts for the Kick’n’Run game. As a result, our marketing activities reached a smaller audience.*

*As a consequence of these two challenges, we decided to take a timeout immediately after the launch to properly address these challenges. In addition, it also meant that all marketing activities with the football clubs were put on hold with absolute zero focus on the commercial activities.*

*Despite the challenges, we have been positively surprised by the reactions from the football clubs. They have proven to be a strong partner in trying to correct the situation and help us move forward. As of today, we have had more than 1.5m downloads of “Kings of Soccer” in total, which has been achieved with almost no marketing activities and limited user acquisition activities.*

*What we are doing to fix the situation and overcome the above two challenges are:*

- 1. Our Nottingham office is too thin a development center to have standalone. We simply need to have more and stronger developing units, so we can deliver our games faster and with higher quality. From an internal point we have already regrouped our team structure and terminated the lowest performing people. From an external point we have started the process of acquiring small teams with a proven track record. We will only go after the best of the best, and we expect to be able to announce interesting news in the acquisition area very soon. We believe these initiatives will allow us to make deliverables on a much higher level going forward.*
- 2. We have collected feedback from our audience and have been working intensively on improving “Kings of Soccer.” A major update will be available by the end of September 2018, aligning it with the new football season start. With the improvements being made to the game, we believe that we have taken care of the majority of the feedback we have received from our gamers which is already now starting to show in our ratings.*



3. *To overcome the challenges with the reduced reach on Facebook, we have reached an agreement with most of the football clubs to move the club posts from Facebook to Instagram Story, which has proven to be much more efficient. From this move, we expect to have significantly higher conversion rates for our +360m football club fans. We have not yet used many of the agreed posts, so we have a lot of marketing posts in our hand for H2 2018. We are also in process of finding other marketing channels together with our football clubs.*

*The status on our other games are the following:*

*“Nyah Huston #Skatelite” was released ahead of schedule on June 29<sup>th</sup>, 2018 to reap the benefits of the increased hype around Nyjah Huston before, during and after the X Games held in Minneapolis, Minnesota. This acceleration in the release date was because Nyjah Huston #Skatelite grabbed international attention following Nyjah Huston’s win in the Skateboard Street competition. We have so far seen 175k downloads of the game.*

*The “Doodle Jump Galaxy” (Working title) release was moved as a consequence of the launch of Nyjah Huston #Skatelite and is now scheduled for launch in Q4 2018. However, the extra time has allowed us to further improve the performance of key metrics in the game.*

*The development of “Vikings” is proceeding, and we continue to enjoy a constructive cooperation with MGM. “Vikings” is a global brand that combined with a mobile game in the strategy category will bring Hugo Games to a whole new and important segment of the mobile gaming industry.*

*Our release line-up is as follows:*

- *“Kick’n’Run” on Facebook Instant Messenger – Q3 2018*
- *“Doodle Jump Galaxy” (working title) – Q4 2018*
- *“Hugo Troll Race 2” on Facebook Instant Messenger – Q4 2018*
- *“Vikings” – H1 2019*
- *“Tintin” – H2 2019*

*Partnerships has proven to be a viable strategy for us and we are therefore constantly looking for new and strong partnerships which can improve our skills and expand our reach.*

*Looking at the games we are releasing and relaunching, our line-up and the opportunities in front of us, we have an exciting H2 2018 in front of us. We are still expecting to fulfil our ambition of achieving a positive EBITDA in Q4 2018 between DKK 0.1m and DKK 5.0m. Much of this depends on the performance of the major “Kings of Soccer” update.*

*Henrik Nielsen, CEO*

**Any inquiries regarding this company announcement should be addressed to**

- Henrik Nielsen, CEO +45 27200200 or [hn@hugogames.com](mailto:hn@hugogames.com)



## Key figures and financial performance

DKK '000	H1 2018	H1 2017	FY 2017
Revenue	2,722	1,781	3,618
Gross profit	2,531	1,683	3,457
Loss before special items (EBITDA)	-13,523	-8,816	-18,834
Operating profit/loss (EBIT)	-16,800	-12,571	-25,976
Net Financials	396	-485	-1,456
Net loss	-14,686	-11,448	-231,489
Total assets	55,383	51,013	70,188
Investments other equipment	65	1	301
Capitalized costs and expenses development	7,827	6,952	11,263
Equity	47,835	37,562	56,028

**Revenue** for H1 2018 amounted to DKK 2.7m, an 53% increase from DKK 1.8m in H1 2017.

**Gross profit** for H1 2018 amounted to DKK 2.5m, an 50% increase from DKK 1.6m in H1 2017.

**Costs** increased mainly due to the share-based payment program (DKK 3.6m) established late 2017.

- Development expenses in H1 2018 amounted to DKK 7.8m (H1 2017: DKK 7.0m). DKK 6.3m was taken as cost in income statement and DKK 1.5m was capitalized.
- Marketing expenses increased by DKK 0.7m relative to H1 2017 due to increased user acquisition activities on key titles
- Other costs increased by DKK 3.5m mainly due to costs related to the share-based payment program that was introduced late 2017.

**EBITDA** before special items was a loss of DKK 13.5m in H1 2018 (H1 2017: loss of DKK 8.8m). The increase was mainly due to the share-based payment program and development costs.

**Depreciation and Amortisation** charges for H1 2018 amounted to DKK 3.3m (H1 2017: DKK 3.8m).

**EBIT** was a loss of DKK 16.8m in H1 2018 against a loss of DKK 12.6m in H1 2017.

**Net financials** were a gain of DKK 0.4m, covering financial income from exchange rate adjustments and financial expenses to interest-bearing liabilities.

**Loss before tax** amounted to DKK 16.4m in H1 2018 (H1 2017: loss of DKK 13.1m). Tax for the period was an income of DKK 1.7m leading to a **net loss** for the period of DKK 14.7 m (H1 2017: loss of DKK 11.4m).



### **Cash flows from operating activities remaining negative**

Cash flows from operating activities was an outflow of DKK 14.7m in H1 2018 (H1 2017: outflow of DKK 9.1m) and the cash flows from investing activities (mainly game development) had a negative cash impact of DKK 1.5 m (H1 2017: DKK 1,7m). Cash flows from financing activities was a net outflow of DKK 0.3m due to the capital increase by DKK 2.9m and repayment of the balance of the loan from "Vækstfonden" by 3.2m

The **cash position** at 30 June 2018 amounted to DKK 34.2m (H1 2017: DKK 34.1m).

**The Group's equity** at 30 June 2018 was DKK 47.8m. The equity ratio was 86% at 30 June 2018.

### **Capital increases:**

There has been two capital increases in January 2018:

- CEO Henrik Nielsen invested DKK 1.5m through warrant exercise.
- Repair issue raised gross proceeds of DKK 1.6m.

### **Events occurring after the balance sheet date.**

No important events have occurred after the balance date of 30 June 2018.

## **Financial guidance**

The financial guidance provided in the 2017 annual report of achieving a positive EBITDA in Q4 2018 between DKK 0.1m and DKK 5.0m from existing activities is still expected with the major games to be released later in 2018.

Our guidance relies on, among many other factors, the user feedback on and the metrics of the games in soft launch. There is always a risk of delays in a global release which may have an adverse effect on the financial results. At any stage, the company will prioritize the pipeline of games in consideration of the long-term best value and pay-off for the company.

The forward-looking statements in this interim report reflect Management's current expectations for certain future events and financial results. Forward-looking statements are inherently subject to uncertainty, and actual results may therefore differ materially from expectations.

Factors that may cause actual results to deviate materially from expectations include, but are not limited to, changes in the mobile game market, market acceptance of new products as well as development delays.



## Hugo Games at a glance

- A Nordic publicly-traded mobile game company founded in 2011.
- A company that creates, develops and publishes mobile games globally.
- Strong portfolio of games globally available across a wide range of platforms including iOS, Android and Facebook.
- Truly passionate about games and committed to making titles that will engage and bring genuine joy to people for years.
- Enters into strategic partnerships with global IP holders for increased visibility, awareness and product performance.

For more information, go to: [www.hugogames.com](http://www.hugogames.com)

### Hugo Games A/S

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## Selected stock exchange announcements:

### Selected stock announcements:

#### 2018:

- 05-01-2018 Hugo Games CEO invests further in company through warrant exercise
- 16-01-2018 Final result of Subsequent Offering in Hugo Games
- 02-02-2018 Hugo Games appoints Anders Egholt Sjøgaard as new CFO
- 08-02-2018 Cristiano Ronaldo Extends Hugo Games Partnership - Game also to be Distributed on Facebook's Instant Messenger Gaming Platform
- 06-03-2018 Hugo Games Announces "Hugo Troll Race 2" is Coming to Facebook Instant Messenger in 2018
- 15-03-2018 Hugo Games Signs Tintin
- 19-04-2018 Kings of Soccer Launches Worldwide on iOS and Android
- 24-04-2018 Decisions of ordinary General Meeting 2018
- 25-04-2018 Hugo Games Sharpens its Profile with New Board of Directors
- 31-05-2018 "Hugo Goal," New Soccer Themed Slot Game from Play'n GO, Features Beloved Hugo Games Character
- 26-06-2018 Hugo Games – Major Shareholder Announcement
- 28-06-2018 Hugo Games – Major Shareholder Announcement
- 29-06-2018 Hugo Games Launches "Nyah Huston #Skatelite" Worldwide for Mobile Devices
- 30-07-2018 Hugo Games' "Nyah Huston #Skatelite" Highlighted on Apple App Store -- Grabs International Headlines



## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have discussed and approved the interim report for the period 1 January - 30 June 2018 of Hugo Games Group.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies. The interim report has been subject to review.

In our opinion, the interim report gives a true and fair view of the Hugo Games Groups' assets, liabilities and financial position at 30 June 2018, and of the results of the Hugo Games Group's operations and cash flows for the period 1 January - 30 June 2018.

We also find that the management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period and the financial position of the Group, and describes the significant risks and uncertainties pertaining to the Group.

Copenhagen, 17 August 2018

### Executive Board

A blue ink signature of Henrik Nielsen.

Henrik Nielsen  
CEO

A blue ink signature of Anders Sogaard.

Anders Sogaard  
CFO

### Board of Directors

A blue ink signature of Jesper Theill Eriksen.

Jesper Theill Eriksen  
Chairman

A blue ink signature of Caspar Rose.

Caspar Rose  
Vice-Chairman

A blue ink signature of Kevin Terkelsen.

Kevin Terkelsen



## Independent Auditors' review report

### To the shareholders of Hugo Games A/S

We have reviewed the interim consolidated financial statements of Hugo Games A/S for the period 1 January 2018 – 30 June 2018 comprising income statement, statement of comprehensive income, balance sheet, cash flow statement and statement of changes in equity as well as selected explanatory notes, including summary of significant accounting policies (pages 8-14).

### The Board of Directors' and the Management's responsibility for the interim consolidated financial statements

The Board of Directors and the Management are responsible for the preparation of interim consolidated financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim financial reporting of listed companies, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This also requires us to comply with ethical requirements.

A review of interim consolidated financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements for the period 1 January 2018 – 30 June 2018 are not prepared in all material respects in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim financial reporting of listed companies.

Copenhagen, 17 August 2018

### Grant Thornton

Statsautoriseret Revisionspartnerselskab

Handwritten signature of Ulrik Bloch-Sørensen in black ink.

Ulrik Bloch-Sørensen  
State Authorised Public Accountant

Handwritten signature of Martin Bomholtz in black ink.

Martin Bomholtz  
State Authorised Public Accountant

## Consolidated statement of comprehensive income

DKK'000	Note	H1 2018	H1 2017	FY 2017
Revenue		2,722	1,781	3,618
Costs of sales		191	98	161
<b>Gross Profit</b>		<b>2,531</b>	<b>1,683</b>	<b>3,457</b>
Research and development costs		6,379	5,165	8,197
Marketing expenses		1,185	415	771
Other expenses		8,490	4,919	13,323
<b>Loss before special items, depreciation and amortisation (EBITDA)</b>		<b>-13,523</b>	<b>-8,816</b>	<b>-18,834</b>
Special items		-	-	-386
Depreciation and amortisation		3,277	3,755	7,528
<b>Operating loss (EBIT)</b>		<b>-16,800</b>	<b>-12,571</b>	<b>-25,976</b>
Financial income		532	473	675
Financial expenses		136	958	1,131
<b>Loss before tax</b>		<b>-16,404</b>	<b>-13,056</b>	<b>-26,432</b>
Tax on loss for the year		-1,718	-1,608	-2,943
<b>Nett Loss</b>		<b>-14,686</b>	<b>-11,448</b>	<b>-23,489</b>
Other comprehensive income		-	-31	-43
<b>Comprehensive income</b>		<b>-14,686</b>	<b>-11,448</b>	<b>-23,532</b>
<b>Distribution of comprehensive income:</b>				
Parent company's shareholders		-14,115	11,387	-23,034
Non-controlling interests		-571	-	-498
<b>Total</b>		<b>-14,686</b>	<b>-11,448</b>	<b>-23,532</b>
<b>Earnings per share:</b>				
Earnings per share (in DKK):	2	-0.338	-1.206	-1.314
Diluted earnings per share (in DKK)	2	-0.338	-1.206	-1.314





## Consolidated balance sheet

DKK'000	Note	30.06.2018	30.06.2017	31.12.2017
<b>Non-current assets</b>				
Completed development projects		1,435	4,252	4,641
Acquired rights		0	0	0
Goodwill		3,363	2,653	3,363
Development projects in progress		5,380	8,354	3,932
Plant and equipment		152	191	159
Other equity investments		168	169	168
income tax receivables		1,718	1,640	
Other receivables		0	48	0
<b>Total non-current assets</b>		<b>12,216</b>	<b>17,307</b>	<b>12,263</b>
<b>Current Assets:</b>				
Trade receivables		1,189	517	913
Income tax receivable		2,998	3,977	2,998
Other receivables		96	68	221
Prepayments		4,727	2,854	3,570
Cash		34,157	26,290	50,223
<b>Total current assets</b>		<b>43,167</b>	<b>33,706</b>	<b>57,925</b>
<b>Total assets</b>		<b>55,383</b>	<b>51,013</b>	<b>70,188</b>

### EQUITY AND LIABILITIES

DKK'000	Note	30.06.2018	30.06.2017	31.12.2017
<b>Equity:</b>				
Share capital		21,762	56,826	20,627
Reserve from capital reduction		22,461	0	22,461
Currency translation reserve		-22	0	-22
Retained earnings		4,219	-20,045	12,976
<b>Hugo Games shareholder's share of equity</b>		<b>48,420</b>	<b>36,781</b>	<b>56,042</b>
Non-controlling interests		-585	781	-14
<b>Total equity</b>		<b>47,835</b>	<b>37,562</b>	<b>56,028</b>
<b>Non-current liabilities</b>				
Provision for deferred tax		29	44	29
Payables to credit institutions		0	2,120	0
<b>Total non-current liabilities</b>		<b>29</b>	<b>2,164</b>	<b>29</b>
<b>Current liabilities</b>				
Payables to credit institutions		0	2,000	3,148
Provisions		0	5,216	3,104
Put-option liability		4,130	0	4,120
Trade payables		1,562	2,394	1,833
Income tax payable		70	128	70
Other payables		1,757	1,549	1,856
<b>Total current liabilities</b>		<b>7,519</b>	<b>11,287</b>	<b>14,131</b>
<b>Total Liabilities</b>		<b>7,548</b>	<b>13,451</b>	<b>14,160</b>
<b>Total equity and liabilities</b>		<b>55,383</b>	<b>51,013</b>	<b>70,188</b>

## Consolidated statement of changes in equity

DKK'000	Share capital	Reserve capital reduction	Share premium	Retained earnings	Currency translation reserve	Hugo Games shareholder's share of equity	Non-controlling interests	Total equity
<b>Equity as at 01.01.2018</b>	<b>20,627</b>	<b>22,461</b>	<b>0</b>	<b>12,976</b>	<b>-22</b>	<b>56,042</b>	<b>-14</b>	<b>56,028</b>
Net Loss				-14,115		-14,115	-571	-14,686
Other comprehensive income				0	0	0	0	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,115</b>	<b>0</b>	<b>-14,115</b>	<b>-571</b>	<b>-14,686</b>
Capital Increase	1,135		2,147			3,282		3,282
Costs related to capital increase			-384			-384		-384
Used to settle share options				3,595		3,595		3,595
Transfer of reserves			-1,763	1,763		0		0
<b>Transactions with owners</b>	<b>1,135</b>	<b>0</b>	<b>0</b>	<b>5,358</b>	<b>0</b>	<b>6,493</b>	<b>0</b>	<b>6,493</b>
<b>Equity as at 30.06.2018</b>	<b>21,762</b>	<b>22,461</b>	<b>0</b>	<b>4,219</b>	<b>-22</b>	<b>48,420</b>	<b>-585</b>	<b>47,835</b>
<b>Equity as at 01.01.2017</b>	<b>22,637</b>	<b>0</b>	<b>0</b>	<b>-7,654</b>	<b>0</b>	<b>14,983</b>	<b>0</b>	<b>14,983</b>
Net Loss				-11,387		-11,387	-61	-11,448
Other comprehensive income					-31	-31		-31
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-11,387</b>	<b>-31</b>	<b>-11,418</b>	<b>-61</b>	<b>-11,479</b>
Capital increase	34,189		2,153			36,342		36,342
Costs related to capital increase			0	-3,126		-3,126		-3,126
Non-controlling interests						0	842	842
Transfer of reserves			-2,153	2,153		0		0
<b>Transactions with owners</b>	<b>34,189</b>	<b>0</b>	<b>0</b>	<b>-973</b>	<b>0</b>	<b>33,216</b>	<b>842</b>	<b>34,058</b>
<b>Equity as at 30.06.2017</b>	<b>56,826</b>	<b>0</b>	<b>0</b>	<b>-20,014</b>	<b>-31</b>	<b>36,781</b>	<b>781</b>	<b>37,562</b>

## Consolidated cash flow statement

DKK'000	Note	H1 2018	H1 2017	FY 2017
<b>Loss before tax</b>		-16,404	-13,056	-26,432
Depreciation, amortisation and impairment losses		3,277	3,755	7,528
Share-based payments		3,595	0	2,952
Financial income, reversed		-532	-473	-675
Financial expenses, reversed		136	958	1,131
Change in working capital		-4,798	-250	-4,146
<b>Operating cash flow</b>		<b>-14,726</b>	<b>-9,066</b>	<b>-19,642</b>
Financial income, received		4	0	5
Financial expenses, paid		-110	-144	-271
Income tax received		0	0	3,881
<b>Cash flow generated from operations</b>		<b>-14,832</b>	<b>-9,210</b>	<b>-16,027</b>
Purchase of equipment		-64	-33	-59
Sale of equipment		0	34	33
Investment in intangible assets		-1,448	-1,787	-3,066
<b>Cash flow from investing activities</b>		<b>-1,512</b>	<b>-1,786</b>	<b>-3,092</b>
Proceeds from cash capital increase		2,898	28,824	62,299
Credit institutions, loan repayment		-3,148	-981	-1,993
<b>Cash flow from financing activities</b>		<b>-250</b>	<b>27,843</b>	<b>60,306</b>
<b>Total cash flow for the period</b>		<b>-16,594</b>	<b>16,847</b>	<b>41,187</b>
Cash, beginning of period		50,223	9,233	9,233
Cash from business combinations		0	769	769
Net foreign exchange difference		528	-559	-966
<b>Cash, end of period</b>		<b>34,157</b>	<b>26,290</b>	<b>50,223</b>



## 1. Basis of preparation

The interim report has been prepared in accordance with IAS 34 Interim financial reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

The interim report does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017.

The accounting policies adopted in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, as no new standards and interpretations have been implemented. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Significant accounting estimates and judgments

The most significant accounting estimates and judgments in the interim consolidated financial statements remain unchanged compared to those used in Annual Report 2017. The principles and key assumptions are described in the Annual Report 2017 in note 2.

## 2. Earnings per share

DKK'000	H1 2018	H1 2017	FY 2017
Net loss for the period	-14,686	-11,387	-23,489
Average number of shares (in thousands)	43,391	9,444	17,881
Average number of treasury shares	-	-	0
Average number of shares in circulation	43,391	9,444	17,881
Diluted average number of shares in circulation	43,391	9,444	17,881
Earnings per share of DKK 0,500 each (in DKK)	-0.338	-1.206	-1.314
Diluted earnings per share of DKK 0,500 each (in DKK)	-0.338	-1.206	-1.314

Earnings per share is calculated after share split 1:5 in 2017.

### 3. Intangible assets

DKK´000	Completed developments projects	Acquired rights	Goodwill	Development projects in progress	Total
<b>Costs as at 01.01.2018</b>	<b>61,089</b>	<b>300</b>	<b>3,363</b>	<b>7,586</b>	<b>72,338</b>
Additions	0	0	0	1,448	1,448
Transfer	0	0	0	0	0
Disposals	0	0	0	0	0
<b>Costs as at 30.06.2018</b>	<b>61,089</b>	<b>300</b>	<b>3,363</b>	<b>9,034</b>	<b>73,786</b>
<b>Amortisation and impairment</b>					
<b>losses as at 01.01.2018</b>	<b>56,448</b>	<b>300</b>	<b>0</b>	<b>3,654</b>	<b>60,402</b>
Impairment losses	0	0	0	0	0
Amortisation	3,206	0	0	0	3,206
Disposals	0	0	0	0	0
<b>Amortisation and impairment</b>					
<b>losses as at 30.06.2018</b>	<b>59,654</b>	<b>300</b>	<b>0</b>	<b>3,654</b>	<b>63,608</b>
<b>Carrying amount as at 30.06.2018</b>	<b>1,435</b>	<b>0</b>	<b>3,363</b>	<b>5,380</b>	<b>10,178</b>
<b>Costs as at 01.01.2017</b>	<b>61,089</b>	<b>300</b>	<b>762</b>	<b>4,520</b>	<b>66,671</b>
Additions	0	0	3,490	1,787	5,277
Transfer	0	0	0	0	0
Disposals	0	0	0	0	0
<b>Costs as at 30.06.2017</b>	<b>61,089</b>	<b>300</b>	<b>4,252</b>	<b>6,307</b>	<b>71,948</b>
<b>Amortisation and impairment</b>					
<b>losses as at 01.01.2017</b>	<b>49,078</b>	<b>300</b>	<b>0</b>	<b>3,654</b>	<b>53,032</b>
Impairment losses	0	0	0	0	0
Amortisation	3,657	0	0	0	3,657
Disposals	0	0	0	0	0
<b>Amortisation and impairment</b>					
<b>losses as at 30.06.2017</b>	<b>52,735</b>	<b>300</b>	<b>0</b>	<b>3,654</b>	<b>56,689</b>
<b>Carrying amount as at 30.06.2017</b>	<b>8,354</b>	<b>0</b>	<b>4,252</b>	<b>2,653</b>	<b>15,259</b>



## **Impairment test**

Cash-generating units comprising goodwill and development projects in progress are tested for impairment at least once a year and more frequently in case of indications of impairment.

The recoverable amount is determined at a calculated value in use based on budgets and prognoses for the coming three financial years approved by the Board of Directors.

The group's budgets and prognoses for the coming three years and thus the determination of the recoverable amount of the cash-generating units are substantially impacted by the management's expectations for growth in connection with the launch of new games.

It is the assessment of the management that no indications of impairment of the Group's intangible assets exist.

## **Events occurring after the balance sheet date**

No important events have occurred after the balance sheet date.