



Announcement no. 21/2016
Copenhagen, 27 May 2016

Hugo Games A/S

INTERIM REPORT Q1 2016

Three months ended 31 March 2016

Revenue in line with expectations, two games released globally

“Q1 2016 has been an exciting quarter launching Axe in Face 2 and Hugo Troll Race 2 globally, Hugo Flower Flush went into soft launch and on top of that we went into partnership with no less than Nyjah Huston - the American super skater. In April and May we have managed to sign up with Cam Newton – the American football player, Ronaldo: Kick 'n'Run went into soft launch and just a few days ago we signed an agreement with Lima Sky, creator of the highly successful Doodle Jump. With this in mind, we are following our ambitious plan with nine games to be launched in 2016 and more to come in 2017. The financial results for Q1 2016 differ from our expectations, but our first priority will always be to deliver the best games possible – even if it burdens the financial results in the short term. We are confident that it will pay off in the long run”.

Henrik Kølle, CEO

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 DKK 792t in Q1 2016 compared to DKK 909t in Q1 2015 - down 13%. Gross profit of DKK 674t was in line with the expected level of DKK 505-618t. (*Gross profit is equivalent to net revenue in our guidance – going forward we will only use gross profit*).
- 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 guidance for 2016

- Hugo Games retains its guidance for the full year. Gross profit in the range of DKK 20-25m and EBITDA before special items in the range of DKK 3-7m.

Events occurring after the balance sheet date

- The Board of directors has decided to carry out a capital increase in July 2016.
- The company has entered into a worldwide exclusive agreement with American football quarterback and icon Cam Newton cf. company announcement no. 12 of 25 April 2016.

Any queries regarding this company announcement may be addressed to

- Henrik Kølle, CEO +45 4028 5054 or ir@hugogames.com
- Søren Kokbøl Jensen, IR manager +45 29 44 50 01 or ir@hugogames.com



CEO-letter: Strong product portfolio, new partnerships

The mobile game market is booming, and we do our very best to keep up to speed in Hugo Games. In the first quarter of 2016 we launched two new games globally, Axe in Face 2 and Hugo Troll Race 2. Hugo Flower Flush went into soft launch and on top of that, we went into partnership with no less than Nyjah Huston – the American super skater.

Developing games is a very dynamic process. It is essential to ensure the best possible starting point and a very close follow-up on user data – equivalent to soft launch. Both Axe in Face 2 and Hugo Troll Race2 were some months delayed compared to the original timeline burdening the financial results in the short term – low revenue but high marketing expenses. However, we are confident that it will pay off in the long run.

Strong product portfolio of mobile games fronted by big sports stars

Since we changed our agreement with Ronaldo and received acceptance to make a game solely with Ronaldo and in a more football flavored surrounding, we have been looking for more deals in the category of sports celebrities games. Therefore, we were particularly pleased to announce the signing of the world's no. 1 skateboarder; Nyjah Huston. We are already preparing the game design and expect to launch a super cool game that will address the growing market of skateboarders and fans of skateboarders.

With the signing of Nyjah Huston, we see ourselves being first movers within the mobile gaming industry, having a strong product portfolio of mobile games fronted by big sports stars. Many doors are now open with the possibility of expanding our portfolio even further, the latest name being the big American football player – Cam Newton, whom we signed in April.

Looking forward

With the initiatives made in Q1 and after, not least signing Nyjah Huston and Cam Newton, we feel that we are poised for a strong 2016 with a product portfolio stronger than ever. Ronaldo: Kick'n'Run and Hugo Flower Flush will be launched globally in Q2 and additional five games are expected to be launched in 2016.

Our new partnership with Lima Sky developing a new mobile game, announced 24 May 2016 is another example of strategic alliances emphasizing our expertise in mobile gaming. We are looking very much forward to creating a new game originating from the Doodle Jump mobile game in an equally joint venture business model. Doodle Jump is one of the most iconic mobile gaming brands on the App store with over 300 millions downloads during the last 5 years placing Doodle Jump in top 5 on the overall chart for paid app games. Lime Sky's and Hugo Games new joint mobile game is planned for release in Q1-Q2 2017.

In order to execute on our strategy and product lineup, it's essential that we increase our cash position as announced in January and April on our general meetings. The Board of directors has decided to carry out a capital increase in July 2016, and we very much hope that existing and new shareholders will continue to accompany us on this exciting growth journey in the coming years.

A handwritten signature in black ink, appearing to read "Henrik Kølle".

Henrik Kølle, CEO



Pipeline update

Hugo Games have a total of nine new games set for release in 2016 on Apple App Store and Google Play (Provision stores), all from which we expect to succeed in reaching the expected KPIs in terms of Daily Active Users (DAU) and Average Revenue Per Daily Active User (ARPDau). For the first quarter of 2016, the average DAU was 71,420 and ARPDau amounted to USD 0,016.

Game	Release	Type	Status
Axe in Face 2	Q1	Acquired IP	Released February 2016 – ann. no 7/2016
Hugo Troll Race 2	Q1	Hugo the Troll IP	Released March 2016 – ann. no 8/2016
Hugo Flower Flush	Q2	Hugo the Troll IP	Soft Launch March 2016 – ann. no 9/2016
Ronaldo: Kick'n'Run	Q2	Celebrity IP	Soft Launch April 2016 – ann. no 13/2016
Street Soccer Ultimate	Q3	Sports game	Will be launched in Q3 instead of Q2 in connection with the Olympics, August 2016 in Rio de Janeiro, Brazil
Nyjah Huston: Super Skater	Q4	Celebrity IP	
Hugo Nordic	Q4	Hugo the Troll IP	
Fashion Fabulous	Q4	Hugo or Celebrity	
Cam Newton: Football Run	Q4	Celebrity IP	

Released:

- **Axe in Face 2** has not yet performed as assessed, however we still see a potential for Axe in Face 2 and is currently negotiating possible partnerships that will bring Axe in Face 2 on track.
- **Troll Race 2** had a release in line with expectations in terms of daily active users, actually we have seen a higher number of daily active users than expected but the monetization per user was lower than expected.

Soft Launch:

- **Hugo Flower Flush** currently show some very promising analytics data from its soft launch.
- **Ronaldo: Kick'n'Run** went into soft launch mid-April, accordingly it is too early to say anything about player behavior and analytic reading. However, the soft launch game has already received excellent user reviews.

We expect that both Hugo Flower Flush and Ronaldo: Kick'n'Run will go into global release in Q2 2016 as previously announced.

New Game:

- In continuation of the partnership with Cam Newton it has also been decided to launch a new game called Cam Newton: Football Run.

Pipeline adjustment:

- Street Soccer Ultimate will be launched in Q3 instead of Q2 in connection with the Olympics, August 2016 in Rio de Janeiro, Brazil.

Key figures and financial performance

– Revenue in line with expectations, EBITDA burden by higher marketing costs

Revenue amounted to DKKt 792 in Q1 2016 compared to DKKt 909 in Q1 2015, down 13%. Gross profit DKKt 675 was in line with the expected level of DKKt 505-618.

The full potential of the newly launched games has not yet fully materialised but sign up rates from Axe in Face 2 and Hugo Troll Race 2 are expected to increase in the coming months, and the same revenue pattern will go for the upcoming game launches.

The revenue split in Q1 2016 on advertisements and in-app purchases has been 50/50 and in relation to the geographical split, the German, American, Russian, Turkish and Danish market have been dominating, but we have also seen very positive trends in the Asian market.

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

Costs increased concurrently with the increase in development activities and the emerging product launches.

- Other external expenses were DKK 2.9m in Q1 2016 (Q1 2015: DKK 1.2m) and the increase is mainly due to the increase in marketing expenses.
- Staff expenses excluding capitalized developments cost were DKK 1.2m in Q1 2016 (Q1 2015: DKK 0.4m) due to the strengthening of the sales organisation and the necessary enlargement of the administration as a consequence of being a listed company

EBITDA before special items ended up in a loss of DKK 3.3m in Q1 2016 (Q1 2015: loss of DKK 0.8m). The original forecast of DKK 2.9m was exceeded because of completion delays and marketing expenses for the newly launched games.

Depreciation and impairment for Q1 2016 were DKK 2.7m (Q1 2015: DKK 0.9m). The increase was related to depreciation of hard launched games and the larger backend system, which is the basis for a faster, cheaper and more effective development and management of games going forward.



EBIT was a loss of DKK 6.0m in Q1 2016 against a loss of DKK 4.0m in Q1 2015.

Net financials were close to zero covering financial income from exchange rate adjustments and financial expenses to interest-bearing liabilities.

Loss before tax amounted to a loss of DKK 6.0m in Q1 2016 (Q1 2015: a loss of DKK 4.1). Tax for the period was an income of DKK 1.3 leading to a **net loss** for period of DKK 4.7m (Q1 2015: a loss of DKK 3.5).

Cash flow from operating activities still negative

Cash flow from operating activities totalled a loss of DKK 2.7m in Q1 2016 (Q1 2015: loss of DKK 0.7m) and cash flow from investing activities (mainly game development) had a negative cash impact of DKK 5.0 m (Q1 2015: DKK 4.7m). Cash flow from financing activities totalled DKK 0.5m due to capital increase and repayment of loan.

Cash position at 31 March 2016 amounted to DKK 7.5m (Q1 2015: DKK 12.3m).

Total assets decreased compared to 31 December 2015

Total assets amounted to DKK 59.8m at 31 March 2016, a DKK m or 5% decrease compared to 31 December 2015. Investments in non-current assets (development) amounted to a total of DKK 5.0m in Q1 2016 (Q1 2015: DKK 4.7m).

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.

Events occurring after the balance sheet date

The Board of directors has decided to carry out a capital increase in July 2016

The company has entered into a worldwide exclusive agreement with American football quarterback and icon Cam Newton cf. company announcement no. 12 of 25 April 2016.

No other important events have occurred after the balance sheet date.

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.



Financial guidance for 2016

Hugo Games wishes to communicate about the future expectations in a normative way and finds that going forward a full year estimate and supplementary CEO letter in the quarterly reports, will describe the situation in a satisfactory manner. Guidance for specific quarters are subject to too high uncertainty, which also goes for user expectations.

Hugo Games retains its guidance for the full year. In 2016, Gross profit (equivalent to the earlier communicated “Net Revenue”) is expected to be in the range of DKK 20-25m (2015: 3.2) and EBITDA before special items is expected to be in the range of DKK 3-7m (2015: -16.6).

The strong growth in Gross profit is based on a total release of nine new titles in 2016. Marketing efforts will differ from game to game and will be dependent of the speed of acknowledgement and this is also why the identified uncertainty in EBITDA is highly related to the uncertainty in Gross profit as most of the cost is fixed.

Our guidance is among many factors relying on not least the user feedback and metrics on the games being in soft launch. There is always a risk of delays in a global release and as such these delays may affect the financial result in a negative way. 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.

No significant changes were detected appertaining to the risks and uncertainty factors or the timing of product launches.

Hugo Games at a glance

- A Nordic, publicly traded mobile game company founded in 2011.
 - Creates, develops and publishes mobile games globally.
 - Has a consistent portfolio of games globally available across a wide range of platforms including iOS, Android, Windows, Amazon and Facebook.
 - Truly passionate about games and committed to making titles that will engage and bring genuine joy to people for years.
 - Forms strategic partnerships with high profile celebrities for increased visibility, awareness and product performance.
- For more information, go to: www.hugogames.com

Hugo Games A/S

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Investor Relations communication

Conference call (audiocast)

A conference call for investors and financial analysts will be held today, 27 May at 10.00 CET. The Conference Call will also be available as live audiocast, at www.hugogames.com or direct link: <https://player.eventcdn.net/o8evc3>. To attend the live presentation, use the phone in order to listen and ask questions – or use the Live link (audiocast) to listen and follow the presentation on your computer or any smart-device, from anywhere in the world.

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Announcements 2016

12-05-2016	AGM 2016 - Complete minutes
28-04-2016	Minutes of Annual General Meeting 2016
26-04-2016	Hugo Games soft-launches Christiano Ronaldo: Kick 'n' run
25-04-2016	Hugo Games partners with iconic NFL Quarterback Cam Newton
05-04-2016	Financial Calendar
05-04-2016	Hugo Games Annual General Meeting
04-04-2016	Annual Report 2015
31-03-2016	Full Year 2015 results: Invitation to Conference Call
14-03-2016	Hugo Games soft-launches Hugo Flower Flush in select territories
10-03-2016	Hugo Games releases "Hugo Troll Race 2" globally on iOS and Android
26-02-2016	Hugo Games releases "Axe in Face 2" globally on iOS and Android
26-02-2016	Hugo Games partners with American skateboard champion Nyjah Huston
04-02-2016	Share capital increase registered
27-01-2016	Hugo Games A/S completes capital increase
26-01-2016	Increase in share capital by Private Placement
21-01-2016	Minutes from Extraordinary General Meeting

Annual General Meeting 2016

At Hugo Games Annual General Meeting held on 28 April 2015, Bertel David Maigaard, Caspar Rose, Rasmus Lund and Christian Sand Kirk were re-elected to the Board of Directors. The company's website provides a description of the background and qualifications of the members of the Board of Directors.

The Annual General Meeting approved the Annual Report 2015 and the Board of Directors' proposal that no dividend be distributed for the year.

After the Annual General Meeting, the Board of Directors elected Bertel David Maigaard Chairman and Caspar Rose Vice-chairman.

A complete overview of the resolutions adopted is available at www.hugogames.com in company announcement no. 14/2016.

Financial Calendar 2016:

19-08-2016	Q2 2016 Financial Report
11-11-2016	Q3 2016 Financial Report

Email service

On Hugo Games website, it is possible to subscribe to our email service to receive annual reports, quarterly reports and other company announcements.



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 - 31 March 2016 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 31 March 2016, and of the results of the Hugo Games Group's operations and cash flows for the period 1 January - 31 March 2016.

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, 27 May 2016

Executive Board

Henrik Jørgen Skouboe Kølle
CEO

Peter Ekman
CFO

Board of Directors

Bertel David Maigaard
Chairman

Caspar Rose
Deputy Chairman

Rasmus Lund

Christian Sand Kirk



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 2016 – 31 March 2016 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 10-16).

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 2016 – 31 March 2016 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, 27 May 2016

Grant Thornton

Statsautoriseret Revisionspartnerselskab

Ulrik Bloch-Sørensen
State Authorised Public Accountant

Martin Bomholtz
State Authorised Public Accountant

Consolidated statement of comprehensive income

DKK'000	Note	Q1 2016	Q1 2015	FY 2015
Revenue		792	909	3,198
Cost of sales		118	152	501
Gross profit		674	757	2,697
Other external expenses		2,862	1,167	15,636
Staff expenses		1,158	397	3,688
Loss before special items and depreciation (EBITDA)		-3,346	-807	-16,627
Special items		0	2,213	5,878
Depreciation, amortisation and impairment losses		2,668	938	11,404
Operating loss (EBIT)		-6,014	-3,958	-33,909
Financial income		134	0	12
Financial expenses		124	134	3,225
Loss before tax		-6,004	-4,092	-37,122
Tax on loss		-1,288	-600	-7,691
Net loss		-4,716	-3,492	-29,431
Other comprehensive income		0	0	0
Comprehensive income		-4,716	-3,492	-29,431
Distribution of comprehensive income:				
Parent company's shareholders		-4,716	-3,492	-29,431
Non-controlling interests		0	0	0
		-4,716	-3,492	-29,431
Earnings per share:				
Earnings per share (in DKK):	2	-0.187	-0.177	-1.302
Diluted earnings per share (in DKK)	2	-0.187	-0.177	-1.302

Consolidated balance sheet

DKK´000	Note	31.03 2016	31.03.2015	31.12.2015
ASSETS				
Non-current assets				
Completed development projects	3	33,904	13,808	25,563
Acquired rights	3	259	92	274
Goodwill	3	762	762	762
Development in progress	3	8,947	24,563	14,975
Plant and equipment		57	15	64
Other receivables		65	77	65
Total non-current assets		43,994	39,317	41,703
Current Assets:				
Trade receivables		604	639	234
Receivables from group companies		0	796	0
Income tax receivable		5,324	0	4,233
Other receivables		767	392	429
Prepayments		1,691	2,283	2,047
Cash		7,461	12,261	14,594
Total current assets		15,847	16,371	21,537
Total assets		59,841	55,688	63,240
EQUITY AND LIABILITIES				
Equity:				
Share capital		12,637	10,000	12,500
Share premium		813	0	0
Retained earnings		34,839	29,131	39,555
Total equity		48,289	39,131	52,055
Non-current liabilities				
Provision for deferred tax		4	3,038	201
Payables to credit institutions		4,586	6,364	5,055
Total non-current liabilities		4,590	9,402	5,256
Non-current liabilities				
Payables to credit institutions		1,867	1,338	1,836
Payables to group companies			0	0
Prepayments received from customers		94	94	94
Trade payables		3,234	4,577	2,274
Income tax payable		68	23	68
Other payables		1,699	1,123	1,657
Total current liabilities		6,962	7,155	5,929
Total liabilities		11,552	16,557	11,185
Total equity and liabilities		59,841	55,688	63,240

Consolidated statement of changes in equity

DKK'000	Share capital	Share premium	Retained earnings	Proposed Dividend	Total equity
Equity as at 01.01.2016	12,500	0	39,555	0	52,055
Net loss			-4,716		-4,716
Other comprehensive income			0		0
Comprehensive income	0	0	-4,716	0	-4,716
Capital increase	137	863			1,000
Costs related to capital increase		-50			-50
Transactions with owners	137	813	0	0	950
Equity as at 31.03.2016	12,637	813	34,839	0	48,289
Equity as at 01.01.2015	10,000	4,986	21,888	0	36,874
Net loss			-3,492		-3,492
Other comprehensive income			0		0
Comprehensive income	0	0	-3,492	0	-3,492
Purchase of treasury shares			-750		-750
Group contribution in connection with purchase of treasury shares			749		749
Sale of treasury shares			5,750		5,750
Transfer		-4,986	4,986		0
Transactions with owners	0	-4,986	10,735	0	5,749
Equity as at 31.03.2015	10,000	0	29,131	0	39,131

Consolidated cash flow statement

DKK'000	Q1 2016	Q1 2015	FY 2015
Loss before tax	-6,004	-4,092	-37,122
Depreciation, amortisation and impairment losses	2,668	938	11,404
Financial income, reversed	-134	0	-12
Financial expenses, reversed	124	134	3,225
Change in working capital:	650	2,339	1,063
Operating cash flow	-2,696	-681	-21,442
Financial income, received	0	0	0
Financial expenses, paid	-110	0	-1,739
Income tax received	0	0	874
Cash flow from operating activities	-2,806	-681	-22,307
Purchase of property, plant and equipment	0	0	-64
Purchase of intangible assets	-4,959	-4,659	-17,459
Investments, net	0	0	12
Cash flow from investing activities	-4,959	-4,659	-17,511
Proceeds from cash capital increase	950	0	38,863
Disposal of treasury, shares	0	5,749	5,749
Credit institutions, repayment	-452	0	-807
Group companies, repayment	0	-106	-119
Cash flow from financing activities	498	5,643	43,686
Total cash flow for the period	-7,267	303	3,868
Cash, beginning of period	14,594	11,958	11,958
Net foreign exchange difference	134	0	-1,232
Cash, end of period	7,461	12,261	14,594

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 Company's independent auditor has not reviewed the interim report.

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 2015.

Certain costs have been reclassified from costs of sales to other external expenses.

Apart from the reclassification, 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 2015, 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 2015. The principles and key assumptions are described in the Annual Report 2015 in note 2.

2. Earnings per share

DKK' 000	Q1 2016	Q1 2015	FY 2015
Net loss for the period	-4,716	-3,492	-29,431
Average number of shares	25,192,807	20,000,000	22,666,667
Average number of treasury shares	0	-280,220	-70,833
Average number of shares in circulation	25,192,807	19,719,780	22,595,834
Diluted average number of shares in circulation	25,192,807	19,719,780	22,595,834
Earnings per share of DKK 0,500 each (in DKK)	-0.187	-0.177,	-1.302
Diluted earnings per share of DKK 0,500 each (in (DKK)	-0.187	-0.177	-1.302

3. Intangible assets

DKK'000	Completed developments projects	Acquired rights	Goodwill	Development projects in progress	Total
Costs as at 01.01.2016	42,176	300	762	14,975	58,213
Additions	231	0	0	4,729	4,960
Transfer	10,757	0	0	-10,757	0
Disposals	0	0	0	0	0
Costs as at 31.03.2016	53,164	300	762	8,947	63,173
Amortisation and impairment losses as at 01.01.2016	16,613	26	0	0	16,639
Impairment losses					0
Amortisation	2,647	15	0	0	2,662
Amortisation and impairment losses as at 31.03.2016	19,260	41	0	0	19,301
Carrying amount as at 31.03.2016	33,904	259	762	8,947	43,872

DKK'000	Completed developments projects	Acquired rights	Goodwill	Development projects in progress	Total
Costs as at 01.01.2015	18,818	100	762	21,074	40,754
Additions	1,169	0	0	3,490	4,659
Transfer	0	0	0	0	0
Disposals	0	0	0	0	0
Costs as at 31.03.2015	19,987	100	762	24,564	45,413
Amortisation and impairment losses as at 01.01.2015	5,253	3	0	0	5,256
Impairment losses	0	0	0	0	0
Amortisation	926	5	0	0	931
Amortisation and impairment losses as at 31.03.2015	6,179	8	0	0	6,187
Carrying amount as at 31.03.2015	13,808	92	762	24,564	39,226



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.

4. Events occurring after the balance sheet date

The Board of directors has decided to carry out a capital increase in July 2016

The company has entered into a worldwide exclusive agreement with American football quarterback and icon Cam Newton cf. company announcement no. 12 of 25 April 2016.

No other important events have occurred after the balance sheet date.