



Announcement no. 44/2017
Copenhagen, 20. November 2017

Hugo Games – Private Placement Successfully Completed

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COPENHAGEN, 20 November 2017

Further to the stock exchange announcement released today by Hugo Games A/S (the "Company") the Company hereby announces to have successfully raised approximately NOK 44 million in gross proceeds through a private placement of 92,616,805 new shares (the "New Shares")*, each with a par value of DKK 0.50 at a subscription price equivalent of NOK 0.48 (the "Subscription Price")* per share (the "Private Placement").

**Please see an additional note on the number of New Shares and the Subscription Price at the bottom of this announcement.*

Commenting on the Private Placement, Henrik Nielsen (CEO of Hugo Games), states that "By successfully completing this private placement, Hugo Games has secured a long-term cash position of an additional gross amount of NOK 44 million enabling the company to focus fully on game development and marketing going forward."

A total of 28,602,250 New Shares* were allocated to primary insiders that subscribed for shares in the Private Placement. A complete and detailed disclosure for primary insiders pursuant to the Securities Trading Act section 4-2 will be published separately.

The Private Placement is completed based on a board authorization from the Company's extraordinary general meeting on 30 October 2017. The Private Placement is conditional upon i) successful registration of the resolutions from the extraordinary general meeting of the Company on the 30 October 2017 (to amend the nominal value, completing a capital reduction and reverse split in the ratio 5:1), expected to be registered with the Danish Business Registry on or about the 29 November 2017 and executed in the VPS on or about 1 December 2017 and ii) registration of the increased share capital of the Company pertaining to the Private Placement in the Danish Business Registry.

Further, the listing of the New Shares is subject to a listing prospectus being approved by the Danish Financial Supervisory Authority, passported to Norway and published by the Company. Until such prospectus is approved the New Shares are expected to be issued and delivered on a separate non-tradable ISIN, and thereafter converted to the current ISIN of the Company and become tradable on Oslo Børs as soon as practically possible, estimated medio January 2018.

Notification of conditional allocation and payment instructions will be sent to the investors on or about 21 November 2017. Payment details and instructions will be included in the notification. The payment date for the New Shares is expected to be on or about 25 November 2017. The allocated New Shares will be delivered to the applicants as soon as practically possible after full payment has been received and the conditions for the Private Placement (as described below) have been met.

As of 1H 2017, the Company had cash and cash equivalents of approximately DKK 26 million, however with the launch of multiple new games during 1H 2018, the Company will use the net proceeds from the Private Placement for i) additional working capital to improve positioning of its future games, ii) build-up of the organization in response to increased development or marketing activity and iii) position the Company to be able to take on new attractive projects, as well as for general corporate purposes.



The Private Placement structure of the transaction required a waiver of existing shareholders' preferential rights to subscribe for new shares. The Board of Directors of the Company has considered such structure and waiver necessary and appropriate in the interest of time and successful completion. However, the Board of Directors of the Company will complete a subsequent offering of up to 7,380,000 Offer Shares* directed towards existing shareholders in the Company who were not offered to participate in the Private Placement as of the end of trading 20 November 2017 (and as registered in the VPS as of the end of 22 November 2017) who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway or Denmark) require any prospectus filing, registration or similar action who were not allocated shares in the Private Placement (the "Eligible Shareholders") (the "Subsequent Offering"). The subscription price in the Subsequent Offering will be equal to the subscription price in the Private Placement. Taking into consideration the time, costs and expected terms of alternative methods of the securing the desired funding, as well as the subsequent offering considered, the board has concluded that the conclusion of the Private Placement on acceptable terms at this time is in the common interest of the shareholders of the Company.

***Special note on the Subscription Price and number of New Shares:**

Due to the Company being in process of completing i.e. a reverse split in the ratio 5:1 on or about 1 December 2017 (the "Merger Date"), the Private Placement set out above will not be formally registered with the Danish Business Registry before after this Merger Date. As such, the Subscription Price set out above will formally be multiplied by a factor of 5 (i.e. such that the subscription price will be NOK 2.40 after completion of the reverse split) whereas the number of New Shares to be issued similarly will be divided by a factor of 5 (and rounded down) (i.e. such that the number of New Shares to be issued will be 18,523,361 after completion of the reverse split) before registration is completed in the Danish Business Register.

- The total number of shares in the Company before the Private Placement and before the reverse split is 113,651,713
- After the reverse split in the ratio 5:1 the number of shares in the Company will be 22,730,342
- The number of New Shares to be issued as a result of the Private Placement is 18,523,361 after taking into consideration the reverse split
- The total number of shares in the Company after the Private Placement and after the reverse split will be 41,253,703
- In addition there will be completed a Subsequent Offering of up to 7,380,000 Offer Shares

Norne Securities AS is manager and DELACOUR Advokatpartnerselskab is legal advisory for the transaction.

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About Hugo Games

Hugo Games A/S (OAX: HUGO) is a Danish global mobile game developer and publisher located in Copenhagen, Denmark. Hugo Games is committed to creating compelling and original IP games such as the Hugo Troll Race series, Axe in Face and Flower Flush. Hugo Games releases games on a wide range of platforms including iOS, Android, Windows, Amazon and Facebook.