

**Multiverse ApS**  
Amagerfælledvej 56  
2300 København S  
Central Business Registration No  
33384807

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 18.04.2017

### **Chairman of the General Meeting**

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Name: Jakob Sillesen

# Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Income statement for 2016	6
Balance sheet at 31.12.2016	7
Statement of changes in equity for 2016	9
Notes	10
Accounting policies	12

## Entity details

### Entity

Multiverse ApS  
Amagerfælledvej 56  
2300 København S

Central Business Registration No: 33384807

Registered in: København

Financial year: 01.01.2016 - 31.12.2016

### Board of Directors

Casper Strandbygaard  
Luiz Gonsales  
Peter Driessen  
Michal Bendtsen  
Chistian Fehrenkamp Rask Larsen

### Executive Board

Chistian Fehrenkamp Rask Larsen  
Michal Bendtsen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Multiverse ApS for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 18.04.2017

### Executive Board

Christian Fehrenkamp Rask  
Larsen

Michal Bendtsen

### Board of Directors

Casper Strandbygaard

Luiz Gonsales

Peter Driessen

Michal Bendtsen

Christian Fehrenkamp Rask  
Larsen

## Independent auditor's reports

### To the shareholders of Multiverse ApS

#### Report on extended review of the financial statements

We have performed an extended review of the financial statements of Multiverse ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### Basis for adverse conclusion

The financial statements have been presented applying the principle of going concern. As stated in note 1 to the financial statements, the going concern of the Entity is conditional upon new credit facilities being provided. We do not consider it probable that new credit facilities will be provided. We therefore qualify our opinion in respect of the financial statements having been presented on a going concern basis.

#### Adverse conclusion

Based on our extended review, in our opinion, due to the significance of the matter described in "Basis for adverse conclusion" above, the financial statements do not give a true and fair view of the Entity's financial position at 31.12.2016 or of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

#### Statement on the management commentary

Management is responsible for the management commentary.

## Independent auditor's reports

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

As is evident from the Basis for adverse opinion section, we have modified our opinion on the financial statements as we do not agree with Management that the financial statements can be presented applying the principle of going concern. We have concluded that, for this reason, the management commentary is materially misstated as, in our opinion, the management commentary should have reflected this circumstances.

København, 18.04.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Morten Willemar Kristensen  
State Authorised Public Accountant

Søren Mark Thorbjørnsen  
State Authorised Public Accountant

## Management commentary

### Primary activities

The purpose of the company is to develop and distribute computer games.

### Development in activities and finances

The company's income statement for the period from 1 January to 31 December 2016 shows a negative result of DKK 776,698, and the company's balance sheet 31 December 2016 shows equity of DKK (1,116,410).

2016 Has been a year of increased activity for the company, with a release of the primary product on the Android platform and a solid increase in userbase. Revenue, however, has not increased proportionally, primarily due to changes in the ad market, resulting in a negative result for 2016 and that the balance sheet of the company now shows negative equity. Furthermore the company has received notice from its largest shareholder requesting settlement of debt as per specified in the current investors agreement.

It is the opinion of the management that additional capital is needed for the company to be able to turn the core product around and achieve profitability. The company has ongoing discussions with investors to provide further capital and liquidity to the company, and management is optimistic regarding the result of these negotiations. It should be pointed out, though, that failing to secure additional capital will very likely result in the company having to cease operations in Q3 2017.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
<b>Gross profit</b>		<b>1.849.672</b>	<b>2.972</b>
Staff costs	2	(2.365.707)	(2.734)
Depreciation, amortisation and impairment losses		<u>(16.916)</u>	<u>(17)</u>
<b>Operating profit/loss</b>		<b>(532.951)</b>	<b>221</b>
Other financial income		4.212	2
Other financial expenses		<u>(247.959)</u>	<u>(145)</u>
<b>Profit/loss for the year</b>		<b><u>(776.698)</u></b>	<b><u>78</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(776.698)</u>	<u>78</u>
		<b><u>(776.698)</u></b>	<b><u>78</u></b>



## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Acquired rights		<u>16.916</u>	<u>33</u>
<b>Intangible assets</b>	3	<u><b>16.916</b></u>	<u><b>33</b></u>
<b>Fixed assets</b>		<u><b>16.916</b></u>	<u><b>33</b></u>
Trade receivables		0	169
Other receivables		42.409	41
Prepayments		<u>1.494</u>	<u>0</u>
<b>Receivables</b>		<u><b>43.903</b></u>	<u><b>210</b></u>
<b>Cash</b>		<u><b>649.289</b></u>	<u><b>1.369</b></u>
<b>Current assets</b>		<u><b>693.192</b></u>	<u><b>1.579</b></u>
<b>Assets</b>		<u><b>710.108</b></u>	<u><b>1.612</b></u>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital	4	266.062	266
Share premium		5.124.490	5.124
Retained earnings		<u>(6.506.962)</u>	<u>(5.730)</u>
<b>Equity</b>		<b><u>(1.116.410)</u></b>	<b><u>(340)</u></b>
Payables to shareholders and management		1.361.177	1.115
Other payables		<u>465.341</u>	<u>837</u>
<b>Current liabilities other than provisions</b>		<b><u>1.826.518</u></b>	<b><u>1.952</u></b>
<b>Liabilities other than provisions</b>		<b><u>1.826.518</u></b>	<b><u>1.952</u></b>
<b>Equity and liabilities</b>		<b><u>710.108</u></b>	<b><u>1.612</u></b>
Going concern	1		
Contingent liabilities	5		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Share premium DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	266.062	5.124.490	(5.730.264)	(339.712)
Profit/loss for the year	0	0	(776.698)	(776.698)
<b>Equity end of year</b>	<b>266.062</b>	<b>5.124.490</b>	<b>(6.506.962)</b>	<b>(1.116.410)</b>

## Notes

### 1. Going concern

The company's income statement for the period from 1 January to 31 December 2016 shows a negative result of DKK 776,698, and the company's balance sheet. 31 December 2016 shows equity of DKK (1,116,410).

Although 2016 shows the company's balance sheet shows negative equity, the management have positive expectations for 2017 and furthermore the management have positive negotiations with potential investors and shareholders. Furthermore the company has ongoing discussions with investors to provide further capital and liquidity to the company. Management expect these negotiations to prove successful.

Loans to partners totalling DKK 1,361k have been called in after the balance sheet date. So far, Management has not succeeded in securing alternative funding, however, Management expects that it will.

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	2.263.109	2.642
Other social security costs	30.808	41
Other staff costs	71.790	51
	<b>2.365.707</b>	<b>2.734</b>
Average number of employees	<b>5</b>	<b>5</b>

	<b>Acquired rights DKK</b>
<b>3. Intangible assets</b>	
Cost beginning of year	118.412
<b>Cost end of year</b>	<b>118.412</b>
Amortisation and impairment losses beginning of year	(84.580)
Amortisation for the year	(16.916)
<b>Amortisation and impairment losses end of year</b>	<b>(101.496)</b>
<b>Carrying amount end of year</b>	<b>16.916</b>

## Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
<b>4. Contributed capital</b>			
Share Capital, Class A	152.500	1	152.500
Share Capital, Class B	<u>113.562</u>	1	<u>113.562</u>
	<u><b>266.062</b></u>		<u><b>266.062</b></u>

### 5. Contingent liabilities

The company has signed a lease with a monthly rent of DKK 15.013 and a rent deposit of DKK 42.409. The lease periode can be stopped with a 3 month term of notice.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

## Accounting policies

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise goodwill.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### Cash

Cash comprises cash in hand and bank deposits.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.