

Game Analytics ApS

Vesterbrogade 34
1620 Copenhagen V
Central Business Registration No
34043221

Annual report 2016

The Annual General Meeting adopted the annual report on 30.06.2017

Chairman of the General Meeting

Name: Andries Petrus Jacobus Els

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Entity details

Entity

Game Analytics ApS
Vesterbrogade 34
1620 Copenhagen V

Central Business Registration No: 34043221
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Website: www.gameanalytics.com

Board of Directors

Xiaohuan (Clement) Cao
Wei (Robin) Duan
Morten Edvard Wulff

Executive Board

Andries Petrus Jacobus Els, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O.Box 1600
0900 Copenhagen 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 Game Analytics 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.

Copenhagen, 30.06.2017

Executive Board

Andries Petrus Jacobus Els
CEO

Board of Directors

Xiaohuan (Clement) Cao

Wei (Robin) Duan

Morten Edvard Wulff

Independent auditor's report

To the shareholder of Game Analytics ApS

Opinion

We have audited the financial statements of Game Analytics ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without qualifying our opinion, we have considered the adequacy of the disclosures made in the management commentary and note 1 concerning the uncertainty relating to the Company's ability to continue as a going concern considering that at 31 December 2016, the Company has a negative equity of DKK 5.2 million including a net loss of DKK 24.9 million for the year then ended. As stated in the management commentary and note 1, a group company has issued a financial support letter ensuring that the Company is a going-concern at least until 30 June 2018.

Management's responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material

Independent auditor's report

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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 audit 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

Independent auditor's report

the financial statements or our knowledge obtained in the audit 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 30.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Kim Takata Mücke
State Authorised Public Accountant

Management commentary

Primary activities

The purpose of the Company is to develop and commercialise analytics software for online game developers and related activities.

Development in activities and finances

The income statement of the Company for 2016 shows a loss of DKK 24.9 million, which is unsatisfactory but in line with the expectations for the year.

The Company's ability to continue its activities has been secured through the sale of all issued common and preference shares to Mobvista International Technology Limited, in August 2016.

The Company is to further develop its core product and features as well as to assist in the development of Mobvista's data management platform (DMP) services. As such we expect future revenue to increase under the terms set out in the Service Agreement entered between Game Analytics ApS and Mobvista International Technology Limited.

The Company will provide specific knowledge in the field of product development, commercial, financial and administrative management techniques and it is desirable that Mobvista International Technology Limited is able to benefit from such specialised knowledge.

Contribution obligations for the year were divided between pre and post-closing periods. Former shareholders of Game Analytics ApS made contributions to support the operational cost for periods January through to the end of July 2016, whereas continued funding requirements post acquisition have been supported by Mobvista International Technology as referenced in a Letter of Support.

Mobvista International Technology Limited have confirmed that, in the period up to 30 June 2018, Mobvista International Technology Limited shall be committed, on demand, to contribute to Game Analytics ApS the cash funds necessary for Game Analytics ApS to meet its obligations as they mature.

On this basis, Management has concluded that it is appropriate to prepare the annual report assuming that the Company is a going concern.

Uncertainty relating to recognition and measurement

The Company has an unrecognised asset in terms of software developed. In 2016, the Company had total development costs of DKK 5.3 million, which has been expensed, and not shown as an asset in the balance sheet. The Company expects this software to contribute significantly to future revenue and earnings, and as such the Company believes that the software represents a significant value.

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</u>
Gross loss		(15,413,026)	3,811,565
Staff costs	2	(11,483,947)	(11,624,976)
Depreciation, amortisation and impairment losses		<u>(40,453)</u>	<u>(43,753)</u>
Operating profit/loss		(26,937,426)	(7,857,164)
Other financial income		86,067	229,147
Impairment of financial assets	3	2,027,587	(5,034,988)
Other financial expenses		<u>(1,206,716)</u>	<u>(1,269,927)</u>
Profit/loss before tax		(26,030,488)	(13,932,932)
Tax on profit/loss for the year	4	<u>1,173,928</u>	<u>1,947,389</u>
Profit/loss for the year		<u>(24,856,560)</u>	<u>(11,985,543)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(24,856,560)</u>	<u>(11,985,543)</u>
		<u>(24,856,560)</u>	<u>(11,985,543)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other fixtures and fittings, tools and equipment		9,695	50,148
Property, plant and equipment		9,695	50,148
Investments in group enterprises		10	10
Deposits		175,419	171,187
Fixed asset investments	5	175,429	171,197
Fixed assets		185,124	221,345
Trade receivables		544,373	1,894,558
Other receivables		1,800,648	233,403
Income tax receivable		1,173,928	1,948,193
Prepayments		129,598	114,091
Receivables		3,648,547	4,190,245
Cash		1,407,183	2,908,301
Current assets		5,055,730	7,098,546
Assets		5,240,854	7,319,891

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital	6	551,392	551,392
Retained earnings		<u>(5,791,322)</u>	<u>(3,587,013)</u>
Equity		<u>(5,239,930)</u>	<u>(3,035,621)</u>
Debt to other credit institutions		<u>0</u>	<u>9,142,496</u>
Non-current liabilities other than provisions		<u>0</u>	<u>9,142,496</u>
Trade payables		687,135	496,441
Payables to group enterprises		5,965,583	0
Other payables		<u>3,828,066</u>	<u>716,575</u>
Current liabilities other than provisions		<u>10,480,784</u>	<u>1,213,016</u>
Liabilities other than provisions		<u>10,480,784</u>	<u>10,355,512</u>
Equity and liabilities		<u>5,240,854</u>	<u>7,319,891</u>
Going concern	1		
Unrecognised rental and lease commitments	7		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	551,392	(3,587,013)	(3,035,621)
Group contributions etc	0	22,652,251	22,652,251
Profit/loss for the year	0	(24,856,560)	(24,856,560)
Equity end of year	551,392	(5,791,322)	(5,239,930)

Notes

1. Going concern

Mobvista International Technology Limited have confirmed that, in the period up to 30 June 2018, Mobvista International Technology Limited shall be committed, on demand, to contribute to Game Analytics ApS the cash funds necessary for Game Analytics ApS to meet its obligations as they mature.

On this basis, Management has concluded that it is appropriate to prepare the annual report assuming that the Company is a going concern.

	2016	2015
	DKK	DKK
2. Staff costs		
Wages and salaries	11,134,110	9,874,507
Other social security costs	210,438	1,026,618
Other staff costs	139,399	723,851
	11,483,947	11,624,976
Number of employees at balance sheet date	4	

3. Impairment of financial assets

In previous years the Company has funded its subsidiary's operating costs. In previous years, the receivable arising from the funding has been expensed as impairment of financial assets. In 2016 the subsidiary has invoiced service fees for its services to Game Analytics ApS which has led to a partial reversal of prior years' impairment of DKK 2,027,587. The service fee from the subsidiary has been expensed and included in "Gross loss" in the income statement.

	2016	2015
	DKK	DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	(1,173,928)	(1,948,193)
Adjustment concerning previous years	0	804
	(1,173,928)	(1,947,389)

Current tax is related to reimbursement of tax losses from development costs according to the Danish tax credit system. The Company has an unrecognised tax asset of DKK 3.4 million related to tax losses carried forward.

Notes

	Investment s in group enterprises DKK	Deposits DKK
5. Fixed asset investments		
Cost beginning of year	10	171,187
Additions	<u>0</u>	<u>4,232</u>
Cost end of year	<u>10</u>	<u>175,419</u>
Carrying amount end of year	<u>10</u>	<u>175,419</u>

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in group enterprises comprise:			
Game Analytics Ltd.	England	Ltd.	100.0

	Number	Par value DKK	Nominal value DKK
6. Contributed capital			
Share capital A	28,356	7.44	211,096
Share capital B	<u>45,711</u>	7.44	<u>340,296</u>
	<u>74,067</u>		<u>551,392</u>

	2016 DKK	2015 DKK
7. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>145,290</u>	<u>191,338</u>

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 for these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and other income less other external expenses.

Revenue

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.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including service fees, expenses for premises, stationery and office supplies, marketing costs, etc.

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 other fixtures and fittings, tools and equipment comprise depreciation 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 interest income etc.

Impairment of financial assets

Impairment of financial assets comprises write-down of intercompany receivables.

Other financial expenses

Other financial expenses comprise interest expenses etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	4 years
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Other fixtures and fittings, tools and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as reimbursement applied for the Company's development costs according to Danish tax credit subsidy system.

Prepayments

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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