

# MicroStrategy Denmark ApS

c/o Kromann Reumert  
Sundkrogsgade 5  
2100 København Ø

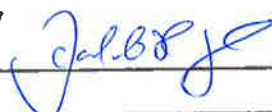
CVR no 29 40 24 42

## Annual report 2016

The annual report was presented and approved at the  
Company's annual general meeting on

31 May 2017

chairman

A handwritten signature in blue ink, appearing to read 'Joh. B. J.', is written over a horizontal line.

MicroStrategy Denmark ApS  
Annual report 2016  
CVR no 29 40 24 42

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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of MicroStrategy Denmark ApS for the financial year 1 January – 31 December 2016

The annual report has been prepared in accordance with the Danish Financial Statements Act

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review

We recommend that the annual report be approved at the annual general meeting

Copenhagen, 31 May 2017

Executive Board:

  
Onno Christiaan van  
der Valk

  
Phong Quoc Le

  
Jeremy David Price



## **Independent auditor's report**

**To the shareholder of MicroStrategy Denmark ApS**

### **Opinion**

We have audited the financial statements of MicroStrategy Denmark ApS for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet and notes, including 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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 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 the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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



## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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 Company'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 Company'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 Company to cease to continue as a going concern.
  - evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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



## Independent auditor's report

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's review

Management is responsible for the Management's review

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act

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

Copenhagen, 31 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no 25 57 81 98

Kenn W Hansen  
State Authorised  
Public Accountant

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## Management's review

### Company details

MicroStrategy Denmark ApS  
c/o Kromann Reumert  
Sundkrogsgade 5  
2100 København Ø

|                    |                         |
|--------------------|-------------------------|
| CVR no :           | 29 40 24 42             |
| Established        | 1 March 2006            |
| Registered office: | Copenhagen              |
| Financial year:    | 1 January – 31 December |

### Executive Board

Onno Christiaan van der Valk  
Phong Quoc Le  
Jeremy David Price

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen

### Annual general meeting

The annual general meeting will be held on 31 May 2017 at the Company's address.



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## **Management's review**

### **Operating review**

#### **Principal activities**

Sale of information software as well as consulting and advisory services within the computer and information industry

MicroStrategy Denmark ApS was established in 2006 with the purpose of expanding MicroStrategy's presence in Denmark in order to support existing customers and to increase revenue via resellers and partners from our Scandinavian office to Sweden.

#### **Development in activities and financial position**

Gross profit for the year amounts to DKK 2.0 million compared to DKK 1.3 million last year. Profit for the year amounts to DKK 1.3 million compared to a profit of DKK 0.7 million last year.

The result for 2016 is positively affected by a tax income of DKK 0.7 million as management due to the positive development and expectations to future year, has decided to recognize the value of the deferred tax asset.

Management considers the results satisfactory.

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

No major events have taken place subsequent to year end which are deemed to significantly affect the evaluation of the financial statements.



## Financial statements 1 January – 31 December

### Income statement

| DKK                                       | Note | 2016             | 2015           |
|---|------|------------------|----------------|
| Gross profit                              |      | 1 960 042        | 1 291 189      |
| Staff costs                               | 2    | -1,284,005       | -993,022       |
| Depreciation, amortisation and impairment |      | -604             | -1,946         |
| <b>Operating profit</b>                   |      | <b>675,433</b>   | <b>296,221</b> |
| Financial income                          | 3    | 80,559           | 485,012        |
| Financial expenses                        |      | -227,907         | -25,138        |
| <b>Profit before tax</b>                  |      | <b>528,085</b>   | <b>736,095</b> |
| Tax on profit for the year                | 4    | 750,151          | 0              |
| <b>Profit for the year</b>                |      | <b>1,278,236</b> | <b>736,095</b> |
| <b>Proposed profit appropriation</b>      |      |                  |                |
| Retained earnings                         |      | 1,278,236        | 736,095        |
|   |      | <u>1,278,236</u> | <u>736,095</u> |

## Financial statements 1 January – 31 December

### Balance sheet

| DKK  | Note | 2016       | 2015      |
|--|------|------------|-----------|
| <b>ASSETS</b>                                    |      |            |           |
| <b>Fixed assets</b>                              |      |            |           |
| Property, plant and equipment                    |      |            |           |
| Fixtures and fittings, tools and equipment       |      | 0          | 604       |
|  |      | 0          | 604       |
| <b>Total fixed assets</b>                        |      | 0          | 604       |
| <b>Current assets</b>                            |      |            |           |
| <b>Receivables</b>                               |      |            |           |
| Trade receivables                                |      | 6,838,931  | 3,712,745 |
| Receivables from group entities                  |      | 5,195,850  | 5,280,310 |
| Other receivables                                |      | 1,667      | 0         |
| Deferred tax asset                               |      | 750,151    | 0         |
|  |      | 12,786,599 | 8,993,055 |
| <b>Cash at bank and in hand</b>                  |      | 259,108    | 203,666   |
| <b>Total current assets</b>                      |      | 13,045,707 | 9,196,721 |
| <b>TOTAL ASSETS</b>                              |      | 13,045,707 | 9,197,325 |
| <b>EQUITY AND LIABILITIES</b>                    |      |            |           |
| <b>Equity</b>                                    | 5    |            |           |
| Share capital                                    |      | 127,000    | 127,000   |
| Retained earnings                                |      | 2,943,978  | 1,665,742 |
| <b>Total equity</b>                              |      | 3,070,978  | 1,792,742 |
| <b>Liabilities other than provisions</b>         |      |            |           |
| <b>Current liabilities other than provisions</b> |      |            |           |
| Payables to group entities                       |      | 4,733,337  | 2,443,951 |
| Other payables                                   |      | 1,371,156  | 1,743,445 |
| Deferred income                                  |      | 3,870,236  | 3,217,187 |
|  |      | 9,974,729  | 7,404,583 |
| <b>Total liabilities other than provisions</b>   |      | 9,974,729  | 7,404,583 |
| <b>TOTAL EQUITY AND LIABILITIES</b>              |      | 13,045,707 | 9,197,325 |
| <b>Contingent liabilities</b>                    | 6    |            |           |
| <b>Related party disclosures</b>                 | 7    |            |           |

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of MicroStrategy Denmark ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 736 of 1 June 2015.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures for 2015.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year

#### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### Income statement

#### Gross Profit

The Company uses the regulations in the Danish Financial Statements Act §32, after which the company's revenue is not stated.

#### Revenue

Income from the sale of maintenance contracts recognised on an ongoing basis during the maintenance period. Other services are recognised upon delivery.

Income from the supply of services is recognised as revenue as the services are

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

delivered

#### Other external costs

Other external costs comprise costs for distribution, sale and advertising as well as administrative expenses, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on transactions denominated in foreign currencies. Financial income and expenses are recognised at the amount relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Receivables

Receivables are measured at amortised cost

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities based on the planned use of the asset or settlement of the liability, respectively.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future, either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Liabilities

Financial liabilities including trade payables and debt to group enterprises are measured at amortised cost which usually corresponds to the nominal value.

#### Accrued expenses and deferred income

Deferred income comprises payments received concerning income in subsequent years.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

| DKK                         | 2016             | 2015           |
|-----------------------------|------------------|----------------|
| Wages and salaries          | 1,207,157        | 924,146        |
| Pensions                    | 65,672           | 63,400         |
| Other social security costs | 11,176           | 5,476          |
|                             | <u>1,284,005</u> | <u>993,022</u> |

#### 3 Financial income

|                                       |               |                |
|---------------------------------------|---------------|----------------|
| Interest received from group entities | 9,017         | 801            |
| Exchange gains                        | <u>71,542</u> | <u>464,211</u> |
|                                       | <u>80,559</u> | <u>465,012</u> |

#### 4 Tax on profit/loss for the year

|   |                |          |
|---|----------------|----------|
| Adjustment of deferred tax for the year | <u>750,151</u> | <u>0</u> |
|   | <u>750,151</u> | <u>0</u> |

#### 5 Equity

| DKK                          | Share capital  | Retained earnings | Total            |
|------------------------------|----------------|-------------------|------------------|
| Equity at 1 January 2016     | 127,000        | 1,665,742         | 1,792,742        |
| Net profit/loss for the year | <u>0</u>       | <u>528,085</u>    | <u>528,085</u>   |
| Equity at 31 December 2016   | <u>127,000</u> | <u>2,193,827</u>  | <u>2,320,827</u> |

#### 6 Contingent liabilities

The company has no contingent liabilities or leave commitments

#### 7 Related party disclosures

MicroStrategy Denmark Aps' related parties comprise the following:

##### Control

MicroStrategy Ltd.  
Building 10 Chiswick Park  
566 Chiswick High Road  
Chiswick London  
W4 5XS UNITED KINGDOM