


MicroStrategy Denmark ApS

c/o Kromann Reumert Strandvejen 60
2900 Hellerup

CVR no. 29 40 24 42

Annual report 2017

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<p>The annual report was presented and approved at the Company's annual general meeting on</p> <p>18 May 2018</p> <p></p> <hr/> <p>chairman</p>
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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 2017.

The annual report has been 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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.

Hellerup, 18 May 2018
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 2017 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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.

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.



Independent auditor's report

- 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 18 May 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Kenn W. Hansen
State Authorised
Public Accountant
MNE no. 30154

MicroStrategy Denmark ApS
Annual report 2017
CVR no. 29 40 24 42

Management's review

Company details

MicroStrategy Denmark ApS
c/o Kromann Reumert Strandvejen 60
2900 Hellerup

CVR no.:	29 40 24 42
Established:	1 March 2006
Registered office:	Hellerup
Financial year:	1 January – 31 December

Executive Board

Onno Christiaan van der Valk
Phong Quoc Le
Jeremy David Price

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 18 May 2018 at the Company's address.

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 2,5 million compared to DKK 2,0 million last year. Profit for the year amounts to DKK 53 thousand compared to a profit of DKK 1,278 million last year.

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	2017	2016
Gross profit		2,458,516	1,960,042
Staff costs	2	-1,703,341	-1,284,005
Depreciation, amortisation and impairment		0	-604
Operating profit		755,175	675,433
Financial income	3	26,745	80,559
Financial expenses	4	-672,756	-227,907
Profit before tax		109,164	528,085
Tax on profit for the year	5	-56,454	750,151
Profit for the year		52,710	1,278,236
Proposed profit appropriation			
Retained earnings		52,710	1,278,236
		52,710	1,278,236

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2017	2016
ASSETS			
Current assets			
Receivables			
Trade receivables		924,040	6,838,931
Receivables from group entities		7,158,168	5,195,850
Other receivables		0	1,667
Deferred tax asset		693,697	750,151
		<u>8,775,905</u>	<u>12,786,599</u>
Cash at bank and in hand		<u>236,536</u>	<u>259,108</u>
Total current assets		<u>9,012,441</u>	<u>13,045,707</u>
TOTAL ASSETS		<u>9,012,441</u>	<u>13,045,707</u>
EQUITY AND LIABILITIES			
Equity	6		
Contributed capital		127,000	127,000
Retained earnings		<u>2,996,689</u>	<u>2,943,978</u>
Total equity		<u>3,123,689</u>	<u>3,070,978</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Payables to group entities		2,285,328	4,733,337
Other payables		744,267	1,371,156
Deferred income		<u>2,859,157</u>	<u>3,870,236</u>
		<u>5,888,752</u>	<u>9,974,729</u>
Total liabilities other than provisions		<u>5,888,752</u>	<u>9,974,729</u>
TOTAL EQUITY AND LIABILITIES		<u>9,012,441</u>	<u>13,045,707</u>
Contractual obligations, contingencies, etc.	7		
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Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of MicroStrategy Denmark ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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 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 statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Gross Profit

2 Staff costs

DKK	2017	2016
Wages and salaries	1,553,902	1,207,157
Pensions	67,005	65,672
Other social security costs	82,434	11,176
	<u>1,703,341</u>	<u>1,284,005</u>
Average number of full-time employees	<u>1</u>	<u>1</u>

3 Financial income

DKK	2017	2016
Interest income from group entities	26,745	9,017
Exchange gains	0	71,542
	<u>26,745</u>	<u>80,559</u>

4 Financial expenses

DKK	2017	2016
Other financial costs	387,035	227,907
Exchange losses	285,721	0
	<u>672,756</u>	<u>227,907</u>

Financial statements 1 January – 31 December

Notes

5 Tax on profit for the year

DKK	2017	2016
Deferred tax for the year	37,679	-750,151
Adjustment of deferred tax concerning previous year	18,775	0
	<u>56,454</u>	<u>-750,151</u>

6 Equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2017	127,000	2,943,978	3,070,978
Net profit for the year	0	52,710	52,710
Equity at 31 December 2017	<u>127,000</u>	<u>2,996,688</u>	<u>3,123,688</u>

7 Contingent liabilities

The company has no contingent liabilities or lease commitments.

8 Related party disclosures

MicroStrategy Denmark ApS' related parties comprise the following:

Control

MicroStrategy Limited
40 Bank Street, Level 29,
London
E14 5DS
London

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

