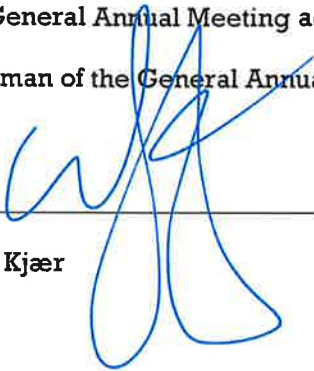




The General Annual Meeting adopted the Annual Report on May 31, 2018

Chairman of the General Annual Meeting



Mads Kjær

MYC4 A/S

CVR 29 60 38 63

ANNUAL REPORT 2017



MYC4 A/S

Annual Report 2017

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1. Company Details

Company

MYC4 A/S
Sankt Annæ Plads 19A,2.
DK-1250 Copenhagen K

Central Business Registration No: 29 60 38 63
Registered in Copenhagen

Internet: www.myc4.com

Company Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab

Board of Directors

Niels B. Thuesen, Chairman
Steven Thomas
Tim Vang

Executive Management

Mads Kjær, CEO and Co-founder

2. Management's statement

The Executive and Supervisory Board have today considered and adopted the Annual Report of MYC4 A/S for the financial year January 1 to December 31, 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. In our opinion, the Financial Statements give a true and fair view of the financial position at December 31, 2017 and of the results of the Company operations for 2017.

The Annual Report is presented in English, which is the language applied in the Company in accordance with the Articles of Association.

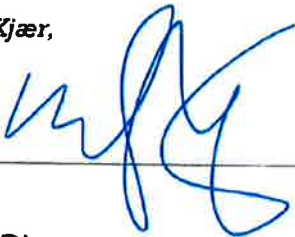
We consider the Management Review to give a fair presentation of the development in MYC4's activities and finances, profit and loss for the year, its financial position as a whole as well as a description of the most material risks and elements of uncertainty facing MYC4.

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

Copenhagen, 16 May 2018

Executive Management

Mads Kjær,
CEO



Board of Directors

Niels B. Thuesen
Chairman



Tim Vang



Steven Thomas





3. Independent Auditor's Report

To the Shareholders of MYC4 A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of MYC4 A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies.

Emphasis of matters concerning going concern

Without modifying our opinion, we draw attention to Note 1, which states that there is uncertainty regarding going concern due to its negative Equity and expected negative cash flow for 2018. Further Note 1 explains the assumption for the preparation of the Financial Statement on a going concern basis. Our opinion is not qualified in respect of this matter.

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 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 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 judgment and maintain professional skepticism 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Odense 16 May 2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Knage Nielsen
State-Authorised Public Accountant
Identification number (MNE) mne 10074



4. Management Review

4.1 Main Activities 2017

In 2014 our biggest loan partner, Kenya Entrepreneurship Empowerment Foundation (KEEF) started defaulting on their total loan portfolio with MYC4 totaling 830,000 EUR and legal disputes started. Also in 2014 we faced defaults on loans with other Kenyan providers.

In March 2015 we considered these defaults so serious for our business that we decided to take timeout for uploads of new loans and disabled the possibilities for investors to upload further money to the MYC4.COM platform.

Since March 2015 all activities have been solely focused on solving disputes and collecting as much as possible of the outstanding loan portfolio to secure the best interest of the investors on MYC4.COM.

On 15 February 2016 we won an arbitration award against KEEF, which we are trying to capitalize on through a decision by the Commercial Court in Nairobi to affirm the arbitration award and by finding and recovering assets from KEEF and its Directors. However, this process is being dragged out by KEEF and the Court.

Meanwhile, we are continuing the work with collecting other defaulted loans from other providers while simultaneously scaling down our organization and costs.

In 2017 we have successfully closed an agreement with Yehu about settlement according to a repayment schedule, which is being fulfilled.

Also in 2017 we won a court case Jubilant Kenya Ltd. However, Jubilant applied to Court for a stay of execution of the judgment and a subsequent decree. On 30 April 2018 the Court dismissed the application from Jubilant whereafter they have 60 days to pay.

For more details reference is made to our website WWW.MYC4.COM.

The investors on MYC4.COM carry all losses on the defaulted loans. The impact on MYC4 A/S is only indirect as the company is facing lack of future revenues when we miss the commissions on the defaulted repayment of loans.

4.2 Challenges for 2018

Our focus in 2018 will still be on collecting as much as possible of the outstanding loan portfolio to secure the best interest of the investors on MYC4.COM.

4.3 Financials for MYC4 A/S

For 2017 MYC4 A/S generated a loss of 142.000 DKK, which is in line with expectations.

For 2018 we expect a loss at same level as 2017. Until further the Company is still funded by the ongoing revenues and financial support from the majority shareholder The Way Forward ApS.



Within the financial support from the majority shareholder to MYC4 A/S the Board finds that until further the Company should continue its operations to collect as much as possible of the outstanding loan portfolio in the best interest of the investors on MYC4.COM while simultaneously further scale down organization and costs.

4.4 Other events after the Balance Sheet Date

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



5. Accounting Policies

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

The accounting policies applied for this annual report is consistent with those applied last year.

Recognition and measurement

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

Liabilities are recognized in the balance sheet when the Company 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 Company, 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 recognized in the income statement when earned, whereas costs are recognized 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 recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

5.2 Income statement

Revenue

Revenue is taken to income as the customer's pays the fees.

Other external expenses

Other external expenses comprise expenses for sale, marketing, administration, premises, bad debts, etc.

Other external expenses also include research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet.

**Staff costs**

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

Financial income and expenses

These items comprise interest income and expenses, realized and unrealized capital gains and losses on payables and transactions in foreign currencies, as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme. Interest expenses and other financial expenses for manufacturing assets are not included in the cost of assets, but are recognized in the income statement as incurred.

Income taxes

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

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

The Company is jointly taxed with its Parent and the entire Parent's other Danish subsidiaries. The current income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

5.3 Balance sheet**Intangible assets**

Intangible assets comprise uncompleted and completed development projects. Other intangible assets comprise uncompleted and completed development projects with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortization that are directly and indirectly attributable to the development projects. Financing costs are not included in cost.



Completed development projects are amortized on a straight-line basis using the estimated useful lives of the assets. The amortization period is five years.

Intangible assets are written down to the lower of recoverable amount and carrying amount.

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. Financing costs are recognized in the income statement.

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: 3-5 years.

Equipment is written down to the lower of recoverable amount and carrying amount.

Investments in subsidiaries

Investments in subsidiaries are recognized and measured under the Equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprise calculated on the basis of the fair values of identifiable net assets at the balance sheet date.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less provisions for bad debts.

Dividends

Dividends are recognized as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item in equity.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Lease commitments

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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



6. Income Statement for 2017

	Notes	2017 DKK	2016 DKK'000
Revenue		1.008.991	560
Other external expenses		<u>(605.078)</u>	<u>(790)</u>
Operating profit/loss		403.913	(230)
Share of Profit/Loss in Subsidiary		(461.050)	(540)
Financial expenses		<u>(159.863)</u>	<u>(133)</u>
Profit/loss before tax		(217.000)	(903)
Tax on profit/loss regarding previous year	2	75.000	48
Tax on profit/loss for the year	2	<u>0</u>	<u>0</u>
Net profit/loss for the year		<u>(142.000)</u>	<u>(855)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(142.000)</u>	<u>(855)</u>
		<u>(142.000)</u>	<u>(855)</u>



7. Balance sheet at 31 December 2017

	Notes	2017 DKK	2016 DKK'000
Investments in Subsidiary	3	<u>162.329</u>	<u>0</u>
Investments in Subsidiary		<u>162.329</u>	<u>0</u>
Fixed assets		<u>162.329</u>	<u>0</u>
Trade receivables		270.561	20
Receivables from Group enterprises		0	147
Other receivables		<u>83.234</u>	<u>50</u>
Receivables		<u>353.795</u>	<u>217</u>
Cash		<u>128.325</u>	<u>169</u>
Current assets		<u>482.120</u>	<u>386</u>
Assets		<u><u>644.449</u></u>	<u><u>386</u></u>



7. Balance sheet at 31 December 2017 continued

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Share capital		11.244.680	11.245
Retained earnings		<u>(15.111.454)</u>	<u>(14.944)</u>
Equity	4	<u>(3.866.774)</u>	<u>(3.699)</u>
Loan from Group Enterprises		<u>4.261.000</u>	<u>3.969</u>
Long-term liabilities		<u>4.261.000</u>	<u>3.969</u>
Payables to Group enterprises		52.522	0
Other payables		<u>197.701</u>	<u>116</u>
Short-term liabilities		<u>250.223</u>	<u>116</u>
Equity and liabilities		<u>644.449</u>	<u>386</u>
Contingent liabilities, etc.	5		
Other notes	6-7		



Notes

1. Going concern

The company generated a loss of 142.000 DKK and the company's equity as of 31 December 2017 is negative with 3.866.774 DKK. For 2018 we expect a loss at same level as in 2017 and same amount of cash needs, which the company expects will be financed from the majority shareholder The Way Forward ApS.

Thus, until 31 December 2018 the Company is still expected funded by the ongoing revenues and financial support from the majority shareholder The Way Forward ApS.

The Way Forward ApS intend to support the Company financially to fund the operational expenses of the Company for 2018, but the Company has not received a binding commitment for support from The Way Forward ApS.

Within the financial support from the majority shareholder to MYC4 A/S the Board finds that until 31 December 2018 the Company should continue its operations to collect as much as possible of the outstanding loan portfolio in the best interest of the investors on MYC4.COM.

2. Tax on profit/loss

The Company has a deferred tax asset relating to losses in 2006-2016. The deferred tax asset is not recognized in the balance sheet, cf. accounting policies.

Tax on profit/loss regarding previous year:

Revenues from associated companies

for their use of the Company's tax losses

75.000 48

Tax on profit/loss for the year:

Current tax

0 0

Change in deferred tax

0 0

0 **0**



Notes continued

3. Fixed assets	Development costs DKK	Other fixtures etc. DKK	Investments in Subsidiary DKK
Cost at 01.01.2017	11.465.696	544.612	1.914.275
Additions	0	0	661.068
Disposal	0	0	0
Cost at 31.12.2017	11.465.696	544.612	2.575.343
Depreciation at 01.01.2017	11.465.696	544.612	1.914.275
Depreciation / write down for the year	0	0	461.050
Exchange rate adjustments	0	0	25.852
Transfer	0	0	11.837
Depreciation at 31.12.2017	11.465.696	544.612	2.413.014
Carrying amount at 31.12.2017	0	0	162.329

Investments in Subsidiary are 100% of the shares in MYC4 (EA) Limited, Kilimani Business Centre Kirichwa Road P.O. Box 24050, 00100 Nairobi, Kenya founded in 2013.

4. Equity	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 01.01.2017	11.244.680	(14.943.602)	(3.698.922)
Exchange rate adj. of Investments in Subsidiary	0	(25.852)	(25.852)
Profit/loss for the year	0	(142.000)	(142.000)
Equity at 31.12.2017	11.244.680	(15.111.454)	(3.866.774)

During 2017 the year, the majority shareholder The Way Forward ApS has supported the company with CEO and CFO services and continuation of loan facility.

The possibilities for generating profits and reestablishing the Equity in future is depending on the collection of outstanding loan portfolio on MYC4.COM, redesign of some business processes and a successful reactivation of business.



Notes continued

Share capital consists of shares at DKK 10 or multiples of these. The shares have not been divided into classes.

Changes in share capital since the Company's establishment on 19.05.2006 are:

Contribution on establishment	500.000
Capital increase 2006	1.240.000
Capital reduction 2006 to cover loss	(300.000)
Capital increase 2007	2.400.000
Capital increase 2008	1.024.000
Capital increase 2009	614.050
Capital increase 2011	157.290
Capital increase 2012	2.817.670
Capital increase 2013	<u>2.791.670</u>
Share capital at 31.12.2017	<u>11.244.680</u>

The company owns 76.800 own shares equal to nominal 768.000 DKK (6.9% of the total share capital), which were acquired in 2015 at zero value. The company acquired the shares as the most practical solution to meet a wish from two institutional shareholders, who wanted to exit as shareholders.

5. Contingent liabilities, etc.

The Company has no contingent liabilities at the reporting date.

The issue of defaulted loans are losses for the investors on MYC4.COM. The company MYC4 A/S does not expect to suffer direct losses from this but will face lack of future revenues, as we will miss the commissions on the defaulted repayment of loans.

6. Ownership and related parties

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

The Way Forward ApS, Skt. Annæ Plads 19A, 2., DK-1250 Copenhagen K
MYC4 A/S, Skt. Annæ Plads 19A, 2., DK-1250 Copenhagen K
casa-share ApS, Madvigs Allé 10, 3. tv., DK-1829 Frederiksberg C
Moltke-Leth ApS, Vallerød Banevej 3 A, 2960 Rungsted Kyst

MYC4 A/S is working closely together with MYC4 Foundation under voluntary liquidation, Skt. Annæ Plads 19A, 2., DK-1250 Copenhagen K. MYC4 Foundation is an independent, self-owned fund administering deposited funds received from investors, who wish to invest via the MYC4 A/S platform.



Notes continued

7. Consolidation

MYC4 A/S is included in the consolidated financial statements of The Way Forward ApS, Sankt Annæ Plads 19A,2., DK-1250 Copenhagen K, Central Business Registration No 25 47 31 59. The consolidated financial statements can be ordered from Erhvervsstyrelsen, Langelinie Alle 17, 2100 København Ø, Denmark or on www.erhvervsstyrelsen.dk.