
The Eye Tribe ApS under frivillig likvidation

c/o Plesner Advokatfirma, Amerika Plads 37, DK-
2100 København Ø

Annual Report for 1 January - 31 December 2019

CVR No 33 95 78 58

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
24/6 2020

Henrik Laursen
Liquidator



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Management's Statement

The Liquidator has today considered and adopted the Annual Report of The Eye Tribe ApS under frivillig likvidation for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

Given to the best of my knowledge the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

Given to the best of my knowledge, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 24 June 2020

Liquidator

Henrik Laursen

The Annual General Meeting has decided that the Financial Statements for next year are not to be subject to any audit.

Independent Auditor's Report

To the Shareholders of The Eye Tribe ApS under frivillig likvidation

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of The Eye Tribe ApS under frivillig likvidation for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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 Financials 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.

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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, the Liquidator is responsible for assessing the Company's ability to continue as a going concern taking into account the liquidation in progress, disclosing, as applicable, matters related to going concern and using appropriate accounting policies taking into account the liquidation in progress.

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 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 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 the Liquidator's use of the significant accounting policies 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 taking into account the liquidation in progress. 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

Independent Auditor's Report

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.

Hellerup, 24 June 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen
State Authorised Public Accountant
mne26718

Henrik Hornbæk
State Authorised Public Accountant
mne32802

Company Information

The Company

The Eye Tribe ApS under frivillig likvidation
c/o Plesner Advokatfirma
Amerika Plads 37
DK-2100 København Ø

CVR No: 33 95 78 58

Financial period: 1 January - 31 December

Municipality of reg. office: København

Liquidator

Henrik Laursen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

The Financial Statements of The Eye Tribe ApS for 2019 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

Main activity

In December 2016, the Company was acquired by Facebook Overseas Inc. and Oculus VR LLC purchased all Intellectual Property Rights owned by the Company.

In December 2016, the Company entered into a service agreement with Oculus VR Ireland Limited to provide research and development services. Since then the operations of the Company have begun to wind down.

On 30th June 2018 the service agreement with Oculus VR LLC was terminated.

On the 20 December 2019 it has been decided to liquidate the company in a solvent liquidation.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 1,570,518, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 148,823,595.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Subsequent events

No subsequent events.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		-1,723,093	149,582
Staff expenses	1	<u>0</u>	<u>4,941</u>
Profit/loss before financial income and expenses		-1,723,093	154,523
Result from investments in subsidiaries		-61,286	71,795
Financial income	2	3,363,995	7,545,532
Financial expenses	3	<u>-9,098</u>	<u>-306,633</u>
Profit/loss before tax		1,570,518	7,465,217
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Net profit/loss for the year		<u>1,570,518</u>	<u>7,465,217</u>

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>1,570,518</u>	<u>7,465,217</u>
	<u>1,570,518</u>	<u>7,465,217</u>

Balance Sheet 31 December

	Note	2019 DKK	2018 DKK
Assets			
Investments in subsidiaries	4	55,862	0
Fixed asset investments		55,862	0
Fixed assets		55,862	0
Receivables from group enterprises		147,368,159	144,005,977
Other receivables		0	845,871
Corporation tax receivable from group enterprises		0	1,665,751
Prepayments		0	710,107
Receivables		147,368,159	147,227,706
Cash at bank and in hand		1,584,961	463,678
Currents assets		148,953,120	147,691,384
Assets		149,008,982	147,691,384
Liabilities and equity			
Share capital		317,091	317,091
Retained earnings		148,506,504	146,818,838
Equity		148,823,595	147,135,929
Payables to group enterprises		29,700	0
Payables to group enterprises relating to corporation tax		0	414,855
Other payables		155,687	140,600
Short-term debt		185,387	555,455
Debt		185,387	555,455
Liabilities and equity		149,008,982	147,691,384
Contingent assets, liabilities and other financial obligations	5		
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	317,091	146,818,838	147,135,929
Other equity movements	0	117,148	117,148
Net profit/loss for the year	0	1,570,518	1,570,518
Equity at 31 December	<u>317,091</u>	<u>148,506,504</u>	<u>148,823,595</u>

Notes to the Financial Statements

	2019 <u>DKK</u>	2018 <u>DKK</u>
1 Staff expenses		
Other staff expenses	<u>0</u>	<u>-4,941</u>
	0	-4,941
Average number of employees	<u>0</u>	<u>0</u>
2 Financial income		
Interest received from group enterprises	296,225	369,884
Exchange gains	<u>3,067,770</u>	<u>7,175,648</u>
	3,363,995	7,545,532
3 Financial expenses		
Other financial expenses	<u>9,098</u>	<u>306,633</u>
	9,098	306,633

Notes to the Financial Statements

	2019 DKK	2018 DKK
4 Investments in subsidiaries		
Cost at 1 January	259,200	259,200
Additions for the year	2,148,581	0
Cost at 31 December	2,407,781	259,200
Value adjustments at 1 January	-2,407,781	-2,479,576
Net profit/loss for the year	-61,286	71,795
Revaluations for the year, net	117,148	0
Value adjustments at 31 December	-2,351,919	-2,407,781
Equity investments with negative net asset value amortised over receivables	0	2,148,581
Carrying amount at 31 December	55,862	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Eyeproof ApS	København	80.000	100%	55,862	-61,286

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company is included in Danish joint taxation. Consequently, under the rules of the Danish Corporation Tax Act, the Company is jointly and severally liable for income tax of the jointly taxed companies.

6 Receivable from group enterprises

In December 2016, Oculus VR LLC purchased all Intellectual Property Rights owned by the Company. Oculus VR LLC are to repay the amount no later than December 2021 following an extended term.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of The Eye Tribe ApS under frivillig likvidation for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The company has entered into liquidation and the financial statements are no longer prepared on a going concern basis.

The Financial Statements for 2019 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

7 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Since Facebook's acquisition of the company the turnover is derived from an intercompany service fee.

On 30th June 2018 the intercompany service agreement was terminated.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Result from investments in subsidiaries

The item "Result from investments in subsidiaries" in the income statement includes the proportionate share of the profit/loss for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

In 2019 and 2018, due to the utilization of tax losses carried forward, for which a deferred tax asset was not previously recognized in the financial statements due to uncertainty, the tax charge in the profit and loss statement is DKK 0.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

7 Accounting Policies (continued)

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value.

Prepayments

Prepayments comprise prepaid expenses concerning office operation costs.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.