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# ***Eyeproof ApS***

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

## **Annual Report for 1 January - 31 December 2016**

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CVR No 33 95 84 63

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
29/05 2017

Shane Hugh Crehan  
Chairman

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Eyeproof ApS for the financial year 1 January - 31 December 2016.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

In my opinion, 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.

København, 29 May 2017

### **Direktion**

Shane Hugh Crehan  
CEO

# **Independent Auditor's Report**

To the Shareholder of Eyeproof ApS

## **Opinion**

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

We have audited the Financial Statements of Eyeproof ApS for the financial year 1 January - 31 December 2016, 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 misstatement, whether due to fraud or error.

# Independent Auditor's Report

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 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 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

# Independent Auditor's Report

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 29 May 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

René Otto Poulsen  
statsautoriseret revisor

Henrik Hornbæk  
statsautoriseret revisor

## **Company Information**

### **The Company**

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

CVR No: 33 95 84 63  
Financial period: 1 January - 31 December  
Municipality of reg. office: København

### **Executive Board**

Shane Hugh Crehan

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## **Management's Review**

The Financial Statements of Eyeproof ApS for 2016 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

### **Main activity**

The company's main activity is to operate in the development, service and sales of technologies based products and services including eye tracking technology, and related activities.

In December 2016, the Company was acquired by Facebook Overseas Inc.

### **Development in the year**

The income statement of the Company for 2016 shows a loss of DKK 323,245, and at 31 December 2016 the balance sheet of the Company shows negative equity of DKK 1,647,553.

### **Capital resources**

The company has lost over half of the capital. We refer to note 1 for explanation e.g. as to how management expects the capital reestablished

### **Uncertainty relating to recognition and measurement**

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

### **Significant Events during the year**

In December 2016, the Company was acquired by Facebook Overseas Inc.

### **Subsequent events**

The operations of the Company have begun to wind down since the acquisition in December 2016.



## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
<b>Gross profit/loss</b>		<b>-20.008</b>	<b>-24.948</b>
Staff expenses	2	<u>-397.483</u>	<u>-391.703</u>
<b>Profit/loss before financial income and expenses</b>		<b>-417.491</b>	<b>-416.651</b>
Financial expenses	3	<u>-66.364</u>	<u>-57.533</u>
<b>Profit/loss before tax</b>		<b>-483.855</b>	<b>-474.184</b>
Tax on profit/loss for the year	4	<u>160.610</u>	<u>58.945</u>
<b>Net profit/loss for the year</b>		<b><u>-323.245</u></b>	<b><u>-415.239</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>-323.245</u>	<u>-415.239</u>
		<b><u>-323.245</u></b>	<b><u>-415.239</u></b>

## Balance Sheet 31 December

### Assets

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Other receivables		1.734	789
Corporation tax		0	97.863
Corporation tax receivable from group enterprises		<u>160.610</u>	<u>0</u>
<b>Receivables</b>		<b><u>162.344</u></b>	<b><u>98.652</u></b>
<b>Cash at bank and in hand</b>		<b><u>0</u></b>	<b><u>89.540</u></b>
<b>Currents assets</b>		<b><u>162.344</u></b>	<b><u>188.192</u></b>
<b>Assets</b>		<b><u>162.344</u></b>	<b><u>188.192</u></b>

# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Share capital		80.000	80.000
Retained earnings		<u>-1.727.553</u>	<u>-1.404.309</u>
<b>Equity</b>		<b><u>-1.647.553</u></b>	<b><u>-1.324.309</u></b>
Payables to group enterprises		<u>1.218.457</u>	<u>1.425.798</u>
<b>Long-term debt</b>	5	<b><u>1.218.457</u></b>	<b><u>1.425.798</u></b>
Credit institutions		299.897	0
Other payables		<u>291.543</u>	<u>86.703</u>
<b>Short-term debt</b>		<b><u>591.440</u></b>	<b><u>86.703</u></b>
<b>Debt</b>		<b><u>1.809.897</u></b>	<b><u>1.512.501</u></b>
<b>Liabilities and equity</b>		<b><u>162.344</u></b>	<b><u>188.192</u></b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	6		

## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	80.000	-1.404.308	-1.324.308
Net profit/loss for the year	0	-323.245	-323.245
<b>Equity at 31 December</b>	<b>80.000</b>	<b>-1.727.553</b>	<b>-1.647.553</b>

# Notes to the Financial Statements

## 1 Going concern

The share capital is supported by the company's own earnings and capital increase if it becomes necessary. The ultimate parent company has issued a statement of support for financial aid. Based hereon management have prepared the financial statements on a going concern assumption.

	<u>2016</u> DKK	<u>2015</u> DKK
<b>2 Staff expenses</b>		
Wages and salaries	393.579	387.276
Other social security expenses	<u>3.904</u>	<u>4.427</u>
	<b><u>397.483</u></b>	<b><u>391.703</u></b>
<b>Average number of employees</b>	<u><b>1</b></u>	<u><b>1</b></u>
<b>3 Financial expenses</b>		
Interest paid to group enterprises	62.480	57.369
Other financial expenses	<u>3.884</u>	<u>164</u>
	<b><u>66.364</u></b>	<b><u>57.533</u></b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	-160.610	-97.863
Deferred tax for the year	0	48.101
Adjustment of tax concerning previous years	<u>0</u>	<u>-9.183</u>
	<b><u>-160.610</u></b>	<b><u>-58.945</u></b>

## Notes to the Financial Statements

### 5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2016</u> DKK	<u>2015</u> DKK
<b>Payables to group enterprises</b>		
Between 1 and 5 years	<u>1.218.457</u>	<u>1.425.798</u>
Long-term part	1.218.457	1.425.798
Within 1 year	<u>0</u>	<u>0</u>
	<b><u>1.218.457</u></b>	<b><u>1.425.798</u></b>

### 6 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 etc of the jointly taxed companies.

## **Notes, Accounting Policies**

### **Basis of Preparation**

The Annual Report of Eyeproof ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in DKK.

### **Consolidated financial statements**

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Facebook Overseas, Inc, USA, the Company has not prepared consolidated financial statements.

### **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.

## **Income Statement**

### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### **Other external expenses**

Other external expenses comprise expenses for premises and sales as well as office expenses, etc.

### **Staff expenses**

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

## **Notes, Accounting Policies**

### **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**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with its parent company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **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**

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