
Eyeproof ApS

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

Annual Report for 1 January - 31 December 2018

CVR No 33 95 84 63

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2019

Henrik Laursen
Chairman of the General
Meeting

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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 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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 2019

Executive Board

David William Kling
Managing Director

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 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 2018, 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 2019

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

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

David William Kling

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

The Financial Statements of Eyeproof ApS for 2018 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 was 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. Since the acquisition the operations of the Company have begun to wind down.

Development in the year

The income statement of the Company for 2018 shows a loss of DKK 142,552, and at 31 December 2018 the balance sheet of the Company shows negative equity of DKK 2,031,434.

Capital resources

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. 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

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

Subsequent events

No subsequent events.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Gross profit/loss		-47,901	-14,567
Staff expenses	2	<u>0</u>	<u>-145,898</u>
Profit/loss before financial income and expenses		-47,901	-160,465
Financial expenses	3	<u>-96,801</u>	<u>-80,864</u>
Profit/loss before tax		-144,702	-241,329
Tax on profit/loss for the year	4	<u>2,150</u>	<u>0</u>
Net profit/loss for the year		<u>-142,552</u>	<u>-241,329</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-142,552</u>	<u>-241,329</u>
		<u>-142,552</u>	<u>-241,329</u>

Balance Sheet 31 December

	Note	2018 DKK	2017 DKK
Assets			
Other receivables		0	7,541
Corporation tax receivable from group enterprises		2,150	160,610
Receivables		2,150	168,151
Cash at bank and in hand		143,328	183,196
Currents assets		145,478	351,347
Assets		145,478	351,347
Liabilities and equity			
Share capital		80,000	80,000
Retained earnings		-2,111,434	-1,968,882
Equity		-2,031,434	-1,888,882
Payables to group enterprises		2,148,582	2,220,377
Long-term debt	5	2,148,582	2,220,377
Other payables		28,330	19,852
Short-term debt		28,330	19,852
Debt		2,176,912	2,240,229
Liabilities and equity		145,478	351,347
Going concern	1		
Contingent assets, liabilities and other financial obligations	6		
Accounting Policies	7		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	80,000	-1,968,882	-1,888,882
Net profit/loss for the year	0	-142,552	-142,552
Equity at 31 December	80,000	-2,111,434	-2,031,434

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.

	<u>2018</u> DKK	<u>2017</u> DKK
2 Staff expenses		
Wages and salaries	0	143,598
Other social security expenses	0	2,300
	<u>0</u>	<u>145,898</u>
Average number of employees	<u>0</u>	<u>1</u>
3 Financial expenses		
Interest payable to group enterprises	88,815	66,995
Other financial expenses	7,986	13,869
	<u>96,801</u>	<u>80,864</u>
4 Tax on profit/loss for the year		
Current tax for the year	<u>-2,150</u>	<u>0</u>
	<u>-2,150</u>	<u>0</u>

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>2018</u> DKK	<u>2017</u> DKK
Payables to group enterprises		
Between 1 and 5 years	2,148,582	2,220,377
Long-term part	<u>2,148,582</u>	<u>2,220,377</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>2,148,582</u>	<u>2,220,377</u>

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 of the jointly taxed companies.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Eyeproof ApS for 2018 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.

The Financial Statements for 2018 are presented in DKK.

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

Other external expenses

Other external expenses comprise expenses for annual compliance and office administration.

Gross profit/loss

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

Staff expenses

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

Financial income and expenses

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

Notes to the Financial Statements

7 Accounting Policies (continued)

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 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.

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.