
Q4 Denmark ApS

Frederiksberggade 2, 5., DK-1459 København K

Annual Report for 20 September 2016 - 31 December 2017

CVR No 38 02 36 08

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
9 /7 2018

Janus Grove Jeppesen
Chairman of the General
Meeting

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Q4 Denmark ApS for the financial year 20 September 2016 - 31 December 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 31 December 2017 of the Company and of the results of the Company operations for 2016/17.

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

København, 9 July 2018

Executive Board

Darrell Heaps
CEO

Ryan Anthony Levenberg

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 Q4 Denmark ApS

Report on the Financial Statements

Disclaimer of Opinion

We do not express an opinion on the Financial Statements. Because of the significance of the matter described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the Financial Statements.

We were engaged to audit the Financial Statements of Q4 Denmark ApS for the financial year 20 September 2016 - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Disclaimer of Opinion

The Company's bookkeeping and other documentation relating to the Company's Financial Statements are incomplete as the accounting records for the period 20 September to 31 December 2016 have been lost, see note 1. It has not been possible for Management to locate the missing accounting records.

We have not in any other ways been able to obtain sufficient appropriate audit evidence in respect of the income statement, assets and liabilities.

Therefore, we have not been able to determine whether any adjustments might be required, nor have we been able to determine the potential effect of this on the income statement, assets and liabilities.

Statement on Management's Review

As the disclaimer of opinion shows, we have been unable to obtain sufficient appropriate audit evidence on which to base our opinion on the financial statements. Accordingly, we do not submit a statement on 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.

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 responsibility is to conduct our audit of the Financial Statements in accordance with International Standards on Auditing and additional requirements applicable in Denmark and to provide an auditor's report. Because of the matter described in the Basis for disclaimer of opinion section, we have not, however, been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Fi-

Independent Auditor's Report

nancial Statements.

We are independent of the Company in accordance with the international ethical requirements for accountants (IESBA's Code of Ethics for Professional Accountants) and additional requirements applicable in Denmark. Furthermore, we have fulfilled our other ethical responsibilities in accordance with these requirements.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with Danish tax legislation

In several cases, the Company has not filed VAT reporting with the Danish tax authorities on a timely basis; consequently, Management may incur liability.

Non-compliance with Danish accounting legislation

Contrary to section 10 of the Danish Bookkeeping Act, the Company has not kept adequate accounting records for the period 20 September - 31 December 2016, consequently, Management may incur liability.

Contrary to section 12 of the Danish Bookkeeping Act, the accounting records for the period 1 January - 31 December 2017 are kept abroad; consequently, Management may incur liability.

Hellerup, 9 July 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Wright
State Authorised Public Accountant
mne10053

Anders Røjleskov
State Authorised Public Accountant
mne28699

Company Information

The Company

Q4 Denmark ApS
Frederiksberggade 2, 5.
DK-1459 København K

CVR No: 38 02 36 08
Financial period: 20 September - 31 December
Municipality of reg. office: København K

Executive Board

Darrell Heaps
Ryan Anthony Levenberg

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Q4 Denmark ApS for 2016/17 has 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.

Key activities

The activity of the Company is to sell software solutions to customers.

Development in the year

The income statement of the Company for 2016/17 shows a profit of DKK 79,568, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 129,568.

The Company has acquired a business activity from Euroinvestor.

Missing accounting records

As part of the transition of administrative functions from the seller to the Company accounting records and supporting vouchers etc. was lost. We refer to comments in note 1.

Income Statement 20 September - 31 December

	<u>Note</u>	<u>2016/17</u> DKK
Gross profit/loss		6,884,237
Staff expenses	2	-6,731,031
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	<u>-18,925</u>
Profit/loss before financial income and expenses		134,281
Financial income		4,577
Financial expenses		<u>-24,158</u>
Profit/loss before tax		114,700
Tax on profit/loss for the year	4	<u>-35,132</u>
Net profit/loss for the year		<u>79,568</u>

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>79,568</u>
	<u>79,568</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2016/17</u> DKK
Other fixtures and fittings, tools and equipment		67,948
Property, plant and equipment		67,948
Fixed assets		67,948
Trade receivables		2,270,190
Other receivables		141,190
Prepayments		36,532
Receivables		2,447,912
Cash at bank and in hand		1,925,501
Currents assets		4,373,413
Assets		4,441,361

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2016/17</u> DKK
Share capital		50,000
Retained earnings		79,568
Equity	5	<u>129,568</u>
Provision for deferred tax		614
Provisions		<u>614</u>
Prepayments received from customers		2,534,085
Trade payables		285,024
Payables to group enterprises		1,082,666
Corporation tax		34,518
Other payables		374,886
Short-term debt		<u>4,311,179</u>
Debt		<u>4,311,179</u>
Liabilities and equity		<u>4,441,361</u>
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Notes to the Financial Statements

1 Bookkeeping records

The Company acquired in October 2016 a business activity from Euroinvestor (seller).

For the period 20 September to 31 December 2016 administration of the acquired business was taken care of by Euroinvestor. As of 1 January 2017 the parent company Q4 Inc. is performing all administration functions on behalf of the entity.

In connection with the transition of administrative functions all accounting records including detailed trial balances and original vouchers for the period 20 September to 31 December 2016 was lost and Management has not been able to locate them.

The Annual Report has been prepared partly on the basis of monthly reporting packages received from Euroinvestor without underlying supporting documentation for the period 20 September to 31 December 2016.

Consequently, the preparation of the Financial Statement is subject to material uncertainty.

	<u>2016/17</u> DKK
2 Staff expenses	
Wages and salaries	6,200,111
Pensions	343,294
Other staff expenses	<u>187,626</u>
	<u>6,731,031</u>
Average number of employees	<u>7</u>
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	
Depreciation of property, plant and equipment	<u>18,925</u>
	<u>18,925</u>
4 Tax on profit/loss for the year	
Current tax for the year	34,518
Deferred tax for the year	<u>614</u>
	<u>35,132</u>

Notes to the Financial Statements

5 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 20 September	0	0	0
Cash payment concerning formation of entity	50,000	0	50,000
Net profit/loss for the year	0	79,568	79,568
Equity at 31 December	50,000	79,568	129,568

2016/17
DKK

6 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with :

Silicon Valley Bank has registered an indemnity bond of USD 1,000,000 in the Company.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	500,531
Between 1 and 5 years	490,483
	991,014

There are no security and contingent liabilities at 31 December 2017.

Notes to the Financial Statements

7 Related parties

Basis

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Q4 Inc.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Q4 Inc.	Hovedaktionær

The Group Annual Report of Q4 Inc. may be obtained at the following address:

469-A King St. W.
Toronto, Ontario
MSV 1K4 Canada

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Q4 Denmark ApS for 2016/17 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 2016/17 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, including depreciation and provisions.

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

8 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.

Expenses for consumables

The company's expenses for raw materials and consumables consist of website implementation costs, technical support, disclosure events production and surveillance analysts and data costs.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Other operating income

Other operating income comprises items of a secondary nature to the main activities of the Company property.

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

8 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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3 to 5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,200 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

8 Accounting Policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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 within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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