
Wirefree Services Denmark A/S

Energivej 30, 1, DK-2750 Ballerup

Annual Report for 1 January - 31 December 2018

CVR No 20 67 33 46

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
10/4 2019



Chairman
Shaina Jabbar

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Wirefree Services Denmark A/S for the financial year 1 January - 31 December 2018.

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

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 10 April 2019

Executive Board



Johan Frans Clementine Van den
Cruijce

Board of Directors



Gitte Henriksen
Chairman



Johan Frans Clementine Van
den Cruijce



Mikkel Bækgaard Nissen

Independent Auditor's Report

To the Shareholder of Wirefree Services Denmark 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 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 Wirefree Services Denmark A/S 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.

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.

Independent Auditor's Report

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 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

Independent Auditor's Report

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.

Copenhagen, 10 April 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98



Jesper Bo Pedersen

statsautoriseret revisor

mne42778

Company Information

The Company

Wirefree Services Denmark A/S
Energivej 30, 1
DK-2750 Ballerup

CVR No: 20 67 33 46

Financial period: 1 January - 31 December

Financial year: 22nd financial year

Municipality of reg. office: Ballerup

Board of Directors

Gitte Henriksen, Chairman
Johan Frans Clementine Van den Cruijce
Mikkel Bækgaard Nissen

Executive Board

Johan Frans Clementine Van den Cruijce

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø

Management's Review

Key activities

The Company's core activity is to act as a holding Company in the Orange S.A. group. The Company also acts as tax management company for the Danish joint taxation.

Development in the year

The income statement of the Company for 2018 shows a loss of EUR 89,794, and at 31 December 2018 the balance sheet of the Company shows equity of EUR 12,482,810.

The main components for the result are:

- (i) the general expenses for the management of the Company. The decrease in comparison with last year relates to lower expenses for lawyer and tax consultancy : EUR – 103,858.
- (ii) gain on sale of investment in subsidiary : At the moment of the sale of Orange Dominicana in 2013 an accrual was set-up for expenses relating to bonuses paid out . No claims were introduced and after 5 years claim expired. The provision is reversed for an amount of EUR 104,631.
- (iii) interests paid on the current account with Orange S.A.. The negative interest rate is due to the negative evolution of the EONIA : EUR - 48,603
- (iiii) an additional tax accrual for the tax litigation has been set-up : EUR -43,257

The main asset of the Company is the current account with Orange SA.

Capital resources

The Company does not have any financing needs. The excess cash is put in a cashpool arrangement with Orange S.A.

Uncertainty relating to recognition and measurement

As a holding company, the results of the Company mainly depends on the return from the companies in which it has an interest.

Subsequent events

No events have taken place after the balance sheet date, which could materially affect the assessment of the Annual Report.

Income Statement 1 January - 31 December

	Note	2018 EUR	2017 EUR
Gross profit/loss		0	0
Administrative expenses		-103.858	-111.825
Operating profit/loss		-103.858	-111.825
Profit/loss before financial income and expenses		-103.858	-111.825
Gain/loss on sale of investment in subsidiary		104.631	0
Financial income	2	1.953	137
Financial expenses	3	-49.263	-48.037
Profit/loss before tax		-46.537	-159.725
Tax on profit/loss for the year	4	-43.257	-23.018
Net profit/loss for the year		-89.794	-182.743

Distribution of profit

Proposed distribution of profit

Retained earnings		-89.794	-182.743
		-89.794	-182.743

Balance Sheet 31 December

Assets

	Note	2018 EUR	2017 EUR
Investments in subsidiaries	5	<u>1</u>	<u>1</u>
Fixed asset investments		<u>1</u>	<u>1</u>
Fixed assets		<u>1</u>	<u>1</u>
Receivables from group enterprises		13.133.712	13.322.457
Corporation tax		<u>32.140</u>	<u>32.237</u>
Receivables		<u>13.165.852</u>	<u>13.354.694</u>
Cash at bank and in hand		<u>53.344</u>	<u>16.859</u>
Currents assets		<u>13.219.196</u>	<u>13.371.553</u>
Assets		<u>13.219.197</u>	<u>13.371.554</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2018 EUR	2017 EUR
Share capital		68.000	68.000
Retained earnings		<u>12.414.810</u>	<u>12.504.604</u>
Equity	6	<u>12.482.810</u>	<u>12.572.604</u>
Trade payables		41.584	145.664
Corporation tax		690.675	649.367
Other payables		<u>4.128</u>	<u>3.919</u>
Short-term debt		<u>736.387</u>	<u>798.950</u>
Debt		<u>736.387</u>	<u>798.950</u>
Liabilities and equity		<u>13.219.197</u>	<u>13.371.554</u>
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Statement of Changes in Equity

	<u>Share capital</u> EUR	<u>Retained earnings</u> EUR	<u>Total</u> EUR
Equity at 1 January	68.000	12.504.604	12.572.604
Net profit/loss for the year	0	-89.794	-89.794
Equity at 31 December	68.000	12.414.810	12.482.810

Notes to the Financial Statements

	<u>2018</u> EUR	<u>2017</u> EUR
1 Staff		
Average number of employees	<u>0</u>	<u>0</u>
2 Financial income		
Other financial income	25	11
Exchange gains	<u>1.928</u>	<u>126</u>
	<u>1.953</u>	<u>137</u>
3 Financial expenses		
Interest paid to group enterprises	48.603	47.508
Other financial expenses	<u>660</u>	<u>529</u>
	<u>49.263</u>	<u>48.037</u>
4 Tax on profit/loss for the year		
Current tax for the year	0	0
Adjustment of tax concerning previous years	<u>43.257</u>	<u>23.018</u>
	<u>43.257</u>	<u>23.018</u>

Notes to the Financial Statements

	2018 EUR	2017 EUR
5 Investments in subsidiaries		
Cost at 1 January	1	1
Cost at 31 December	1	1
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
Carrying amount at 31 December	1	1

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
EGN B.V.	Holland	TEUR 45	100%	-280.091	11.449

The latest published annual report for EGN B.V. is for the financial year 2017.

Notes to the Financial Statements

6 Equity

The share capital consists of 68,000 shares of a nominal value of EUR 1. No shares carry any special rights.

The share capital has developed as follows:

	2018	2017	2016	2015	2014
	EUR	EUR	EUR	EUR	EUR
Share capital at 1 January	68.000	68.000	68.000	68.000	100.784.967
Capital increase	0	0	0	0	0
Capital decrease	0	0	0	0	-100.716.967
Share capital at 31					
December	68.000	68.000	68.000	68.000	68.000

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company participates in a Danish joint taxation arrangement with Orange S.A. additional Danish subsidiary with Wirefree Service Denmark A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July 2012 for obligations, if any, relating to withholding tax on interest, royalties and dividend for the jointly taxed companies and from 1 January 2013 for income taxes for the jointly taxed companies.

Warranties granted to Altice Bahamas SARL relating to the sale of Orange Dominicana S.A. in total kUSD 142,147 have expired. However, a specific warranty remains for a maximum amount of 12,6 mUSD. A claim of Altice (365 kUSD) has been initiated but has been challenged by Wirefree Services Denmark A/S.

The Company has initiated on 6 July 2016 an appeal against the decision of the Danish Tax authorities to make an adjustment on the taxable base of DKK 27,779,135 for the accounting year 2010-2014.

A part of the adjustment has been recognised as corporation tax in the balance sheet. There were no further developments in 2018.

Notes to the Financial Statements

8 Related parties

Basis

Controlling interest

Orange S.A. 78 Rue Olivier de Serres, 75015 Paris Cedex 15, France	Ultimate Parent
Atlas Services Belgium S.A. Avenue du Bourget 3, B-1140 Bruxelles, Belgien/Belgium	Parent company

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:

Atlas Services Belgium S.A., Avenue du Bourget 3, B-1140 Bruxelles, Belgien/Belgium

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Orange S.A	Paris, France

The Group Annual Report of Orange S.A. may be obtained at the following address:

78 Rue Olivier de Serres, 75015 Paris Cedex 15, France

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Wirefree Services Denmark A/S for 2018 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 accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in EUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Orange S.A, the Company has not prepared consolidated financial statements.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

9 Accounting Policies (continued)

Translation policies

Euro is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

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.

Income Statement

Administrative expenses

Administrative expenses comprise general corporate expenses.

Financial income and expenses

Financial income and expenses comprise interest and realised and unrealised exchange adjustments.

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 the other Danish enterprises in the Orange group, with Wirefree Service Denmark A/S as the administrative company. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Notes to the Financial Statements

9 Accounting Policies (continued)

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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

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