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# ***Wirefree Services Denmark A/S***

c/o Regus Business Centre, Strandvejen 60, DK-  
2900 Hellerup

## **Annual Report for 1 January - 31 December 2019**

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CVR No 20 67 33 46

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
16/04 2020

Shaina Jabbar  
Chairman of the General  
Meeting

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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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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.

Hellerup, 16 April 2020

## **Executive Board**

Johan Frans Clementine Van den  
Cruijce

## **Board of Directors**

Gitte Lund 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

We have audited the Financial Statements of Wirefree Services Denmark A/S 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 are 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 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.

## 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.

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

# Independent Auditor's Report

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 misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information re-

# **Independent Auditor's Report**

quired 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, 16 April 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab

*CVR No 25 57 81 98*

Jesper Bo Pedersen

statsautoriseret revisor

mne42778

## **Company Information**

### **The Company**

Wirefree Services Denmark A/S  
c/o Regus Business Centre  
Strandvejen 60  
DK-2900 Hellerup

CVR No: 20 67 33 46

Financial period: 1 January - 31 December

Financial year: 23rd financial year

Municipality of reg. office: Hellerup

### **Board of Directors**

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

### **Executive Board**

Johan Frans Clementine Van den Crujce

### **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 Company closes its financial year with a loss of EUR 219,137 against an accounting loss in 2018 of EUR 89,794.

The main components for the result are:

- (i) the general expenses for the management of the Company. The decrease in comparison with last year can be explained by a decrease of the lawyer and tax consultancy expenses : EUR - 39,448.
- (ii) expenses related to sale of investment in subsidiary : the company paid fees for legal services relating to a claim which was initiated by the purchaser of Orange Dominicana last year : EUR -86,146.
- (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 - 51,741.
- (iv) an additional tax accrual for the tax litigation has been set-up for an amount of EUR -13,660.

## 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

Management is of the opinion that the current COVID-19 crisis has no effect on the Annual Report. There is – to the best of management's knowledge and assessment - no impact on future management expenses of the Company. The financial situation of the Company is solid and sufficient to enable it to continue its activities as a going concern.



## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> EUR	<u>2018</u> EUR
<b>Gross profit/loss</b>		<b>0</b>	<b>0</b>
Administrative expenses		-66.941	-103.858
<b>Operating profit/loss</b>		<b>-66.941</b>	<b>-103.858</b>
<b>Profit/loss before financial income and expenses</b>		<b>-66.941</b>	<b>-103.858</b>
Gain/loss on sale of investment in subsidiary		-86.146	104.631
Financial income	3	40	1.953
Financial expenses	4	-51.909	-49.263
<b>Profit/loss before tax</b>		<b>-204.956</b>	<b>-46.537</b>
Tax on profit/loss for the year	5	-14.181	-43.257
<b>Net profit/loss for the year</b>		<b>-219.137</b>	<b>-89.794</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-219.137	-89.794
		<b>-219.137</b>	<b>-89.794</b>

## Balance Sheet 31 December

### Assets

	Note	2019 EUR	2018 EUR
Investments in subsidiaries	6	1	1
Deposits		211	0
<b>Fixed asset investments</b>		<b>212</b>	<b>1</b>
<b>Fixed assets</b>		<b>212</b>	<b>1</b>
Receivables from group enterprises		12.953.314	13.133.712
Corporation tax		32.122	32.140
Prepayments		211	0
<b>Receivables</b>		<b>12.985.647</b>	<b>13.165.852</b>
<b>Cash at bank and in hand</b>		<b>21.160</b>	<b>53.344</b>
<b>Currents assets</b>		<b>13.006.807</b>	<b>13.219.196</b>
<b>Assets</b>		<b>13.007.019</b>	<b>13.219.197</b>

# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2019</u> EUR	<u>2018</u> EUR
Share capital		68.000	68.000
Retained earnings		<u>12.195.673</u>	<u>12.414.810</u>
<b>Equity</b>	<b>7</b>	<b><u>12.263.673</u></b>	<b><u>12.482.810</u></b>
Trade payables		33.781	41.584
Corporation tax		704.470	690.675
Other payables		<u>5.095</u>	<u>4.128</u>
<b>Short-term debt</b>		<b><u>743.346</u></b>	<b><u>736.387</u></b>
<b>Debt</b>		<b><u>743.346</u></b>	<b><u>736.387</u></b>
<b>Liabilities and equity</b>		<b><u>13.007.019</u></b>	<b><u>13.219.197</u></b>
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

## 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	12.414.810	12.482.810
Net profit/loss for the year	0	-219.137	-219.137
<b>Equity at 31 December</b>	<b>68.000</b>	<b>12.195.673</b>	<b>12.263.673</b>

# Notes to the Financial Statements

## 1 Subsequent events

Management is of the opinion that the current COVID-19 crisis has no effect on the Annual Report. There is – to the best of management’s knowledge and assessment - no impact on future management expenses of the Company. The financial situation of the Company is solid and sufficient to enable it to continue its activities as a going concern.

	<u>2019</u> EUR	<u>2018</u> EUR
<b>2 Staff</b>		
<b>Average number of employees</b>	<u>0</u>	<u>0</u>
<b>3 Financial income</b>		
Other financial income	40	25
Exchange gains	<u>0</u>	<u>1.928</u>
	<u><b>40</b></u>	<u><b>1.953</b></u>
<b>4 Financial expenses</b>		
Interest paid to group enterprises	51.741	48.603
Other financial expenses	<u>168</u>	<u>660</u>
	<u><b>51.909</b></u>	<u><b>49.263</b></u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	0	0
Adjustment of tax concerning previous years	<u>14.181</u>	<u>43.257</u>
	<u><b>14.181</b></u>	<u><b>43.257</b></u>

## Notes to the Financial Statements

	2019 EUR	2018 EUR
<b>6 Investments in subsidiaries</b>		
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
<b>Carrying amount at 31 December</b>	<b>1</b>	<b>1</b>

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%	-298.430	-18.339

The latest published annual report for EGN B.V. is for the financial year 2018.

# Notes to the Financial Statements

## 7 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:

	2019	2018	2017	2016	2015
	EUR	EUR	EUR	EUR	EUR
Share capital at 1 January	68.000	68.000	68.000	68.000	68.000
Capital increase	0	0	0	0	0
Capital decrease	0	0	0	0	0
<b>Share capital at 31</b>					
<b>December</b>	<b>68.000</b>	<b>68.000</b>	<b>68.000</b>	<b>68.000</b>	<b>68.000</b>

## 8 Contingent assets, liabilities and other financial obligations

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 2019.

# Notes to the Financial Statements

## 9 Related parties

	<b>Basis</b>
<b>Controlling interest</b>	
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

### Consolidated Financial Statements

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

Name	Place of registered office
Orange S.A	Paris, France



# Notes to the Financial Statements

## 10 Accounting Policies

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

The Financial Statements for 2019 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

## 10 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

### Gross profit/loss

#### Administrative expenses

Administrative expenses comprise general corporate expenses.

#### Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

#### 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.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### 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.

#### Other fixed asset investments

Other fixed asset investments consist of deposits.

#### 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.

#### 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.

# **Notes to the Financial Statements**

## **10 Accounting Policies** (continued)

### **Financial debts**

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