

goviral ApS

c/o Harbour House
Sundkrogsgade 21
2100 Copenhagen

CVR No. 25903315

Annual Report 2015

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on

25 May 2016



Peter Drachmann
Chairman

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Management's Statement

Today, The Executive Board has discussed and approved the Annual Report of goviral ApS for the financial year 1 January 2015 - 31 December 2015.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

In our opinion, the 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, 18 May 2016

Executive Board



Donald Bartlett D'Anna Jr



Graham Edwin Moysey



Jacob Smed

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Independent Auditor's Report

To the shareholders of goviral ApS

Independent Auditors' Report on the Financial Statements

We have audited the Financial Statements of goviral ApS for the financial year 1 January 2015 - 31 December 2015 which comprise Accounting Policies, Income Statement, Balance Sheet and Notes. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 18. May 2016

ERNST & YOUNG Godkendt Revisionspartnerselskab

CVR no.: 37700228


Henrik Reedtz

State Authorised Public Accountant

Company details

Company	goviral ApS c/o Harbour House Sundkrogsgade 21 2100 Copenhagen
CVR No.	25903315
Date of formation	29 January 2001
Registered office	Copenhagen
Financial year	1 January 2015 - 31 December 2015
Executive Board	Donald Bartlett D'Anna Jr Graham Edwin Moysey Jacob Smed
Auditors	ERNST & YOUNG Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4 2000 Frederiksberg CVR-no.: 30700228

Management's Review

The Company's principal activities

The Company's principal activities consist in business related to viral marketing and related activities, including marketing and distribution of branded content in digital environments. From 1 June 2012 to 31 December 2015 the Company primarily operated under a service agreement with AOL Europe Holdings (2) & Cie S.e.n.c. A General partnership incorporated and existing under the laws of the Duchy of Luxembourg. From 1 January 2016, the company will operate under a similar service agreement with AOL (UK) Limited, a private limited company incorporated and existing under the laws of England and Wales.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2015 - 31 December 2015 shows a profit of tEUR 206 and the Balance Sheet at 31 December 2015 a balance sheet total of tEUR 4.029 and an equity of tEUR 2.036.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Accounting Policies

Reporting Class

The Annual Report of goviral ApS for 2015 has been presented 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.

Consolidated Financial Statements

The Company meets the conditions for not preparing Consolidated Financial Statements hence no consolidated financial statements have been prepared.

Reporting currency

The Annual Report is presented in Euro.

Translation policies

Transactions in foreign currencies are translated into EUR at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into EUR based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Income from the rendering of services, are recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Income from the supply of services is recognised as revenue with reference to the stage of completion.

The Company recognises revenue for transactions only where the Company is considered the principal in its arrangements, that is, where it is the primary obligor in the revenue arrangements, has pricing latitude, and is exposed to credit risks. Revenue is not recognised when the Company is acting as an agent, that is, when another party is primarily responsible for fulfilling the contract; it does not have discretion in establishing prices; and the entity is not exposed to the credit risk of the amount receivable from a customer in exchange for the other party's services.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Amortisation/depreciation of tangible assets

Amortisation/depreciation of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Fixtures, fittings, tools and equipment	3-5 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish subsidiaries are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the

Accounting Policies

asset is available for use.

Investments in group enterprises and associates

Investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Impairment of assets

Every year, intangible assets as well as investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Prepayments

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Accounting Policies

Deferred income

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2015 tEUR	2014 tEUR
Gross profit		1.850	1.602
Staff costs	1	-1.628	-1.244
Depreciation, amortisation expense and impairment losses		-2	-9
Profit from ordinary operating activities		220	349
Income from investments in group enterprises and associates		-12	2.907
Finance income	2	12	370
Finance expenses		-62	0
Profit from ordinary activities before tax		158	3.626
Tax for the year	3	48	-184
Profit		206	3.442
Proposed distribution of results			
Proposed dividend recognised in equity		0	9.000
Retained earnings		206	-5.558
		206	3.442

Balance Sheet as of 31. December

	Note	2015 tEUR	2014 tEUR
Assets			
Fixtures, fittings, tools and equipment		<u>8</u>	<u>4</u>
Tangible assets		<u>8</u>	<u>4</u>
Investments in group enterprises	4	64	76
Other receivables		<u>41</u>	<u>41</u>
Investments		<u>105</u>	<u>117</u>
Fixed assets		<u>113</u>	<u>121</u>
Trade receivables		0	60
Receivables from group enterprises		1.794	7.268
Other receivables		144	0
Prepayments		8	24
Deferred tax asset		<u>3</u>	<u>5</u>
Receivables		<u>1.949</u>	<u>7.357</u>
Cash and cash equivalents		<u>1.967</u>	<u>4.711</u>
Current assets		<u>3.916</u>	<u>12.068</u>
Assets		<u>4.029</u>	<u>12.189</u>

Balance Sheet as of 31. December

	Note	2015 tEUR	2014 tEUR
Liabilities and equity			
Contributed capital		70	70
Retained earnings		1.966	1.760
Proposed dividend recognised in equity		0	9.000
Equity	5	2.036	10.830
Trade payables		20	4
Payables to group enterprises		37	30
Tax payables		50	0
Other payables		1.886	1.290
Deferred income		0	35
Short-term liabilities other than provisions		1.993	1.359
Liabilities other than provisions within the business		1.993	1.359
Liabilities and equity		4.029	12.189
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Notes

	2015 tEUR	2014 tEUR
1. Staff costs		
Wages and salaries	1.544	1.213
Social security contributions	84	31
	<u>1.628</u>	<u>1.244</u>

2. Finance income

Other finance income from group enterprises	12	12
Other finance income	0	358
	<u>12</u>	<u>370</u>

3. Tax for the year

Estimated tax charge for the year	51	184
Deferred tax adjustments in the year	1	0
Taxes prior year adjustments	-100	0
	<u>-48</u>	<u>184</u>

4. Investments in group enterprises

Name	Registered office	Share held in %	Equity tEUR	Profit tEUR
goviral GmbH	Germany	100,00	278	45
goviral S.a.r.l.	France	100,00	348	66
goviral Iberia S.L.	Spain	100,00	71	22
goviral S.r.l.	Italy	100,00	46	19
goviral AB	Sweden	100,00	64	25
goviral Limited (in liquidation)	England	100,00	1	0
			<u>808</u>	<u>177</u>

Information about the equity and profit/loss are from the latest audited financial statements of the subsidiaries in 2014.

Notes2015
tEUR2014
tEUR**5. Equity**

	Contributed capital	Retained earnings	Proposed dividend	Total
Balance at 1/1 2015	70	1.760	9.000	10.830
Dividend distributed	0	0	-9.000	-9.000
Proposed distribution of results	0	206	0	206
	70	1.966	0	2.036

The share capital has remained unchanged for the last 5 years.

6. Related parties

Information about related parties with a controlling interest:

AOL Denmark Holdings ApS, with domicile at c/o Harbour House, Sundkrogsgade 21, DK-2100 Copenhagen, Parent company.

Information about consolidated financial statements:

Verizon Communications Inc., Annual reports for Verizon Communications Inc. can be obtained by letter to goviral ApS.

7. Contingent liabilities and other financial obligations

The Company is jointly taxed with its parent, AOL Denmark Holdings ApS, as well as other Danish group entities of Verizon Communications Inc., and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Rent and lease obligations	16	15
	16	15