

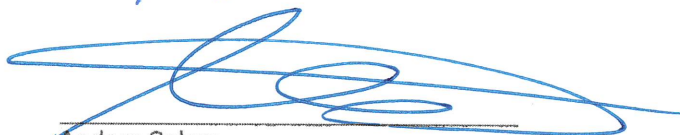
Oath (Denmark) ApS

Sundkrogsgade 21, c/o Harbour House, DK-
2100 Copenhagen

CVR no. 25 90 33 15

Annual report for 2017

Adopted at the annual general meeting
on 31/5-18



Anders Solem
chairman

Contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Income statement 1 January - 31 December	7
Balance sheet 31 December	8
Notes to the annual report	10
Accounting policies	12

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Oath (Denmark) ApS for the financial year 1 January - 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 company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Copenhagen,

Executive Board

Michel Hubertus Paulus
Teheux




Niels Christian Wedell-
Wedellsborg

Independent auditor's report

To the shareholder of Oath (Denmark) ApS

Opinion

We have audited the financial statements of Oath (Denmark) ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 december 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

Independent auditor's report

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 judgment and maintain professional skepticism 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.

Independent auditor's report

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.

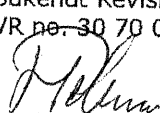
In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 of management's review.

Copenhagen,

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Henrik Reedtz Petersen
State Authorised Public Accountant
MNE no. mne24830

Company details

The company

Oath (Denmark) ApS
Sundkrogsgade 21
c/o Harbour House
DK-2100 Copenhagen

CVR no.: 25 90 33 15

Reporting period: 1 January - 31 December 2017

Domicile: Copenhagen

Executive Board

Michel Hubertus Paulus Teheux
Niels Christian Wedell-Wedellsborg

Auditors

ERNST & YOUNG
Godkendt Revisionspartnerselskab
c/o Postboks 250, Osvald Helmuths Vej 4
DK-2000 Frederiksberg

Consolidated financial statements

The company's financial statement is consolidated into Verizon Communications Inc., Annual reports for Verizon Communications Inc. can be obtained by letter to Oath (Denmark) ApS.

Management's review

Business activities

The company's principal activity is sales and marketing of products related to internet based marketing videos and online advertising in Denmark. From January 2013 to December 2015, the company provided these services under a service agreement to AOL Europe Holdings (2) & Cie S.e.n.c., a general partnership incorporated and existing under the laws of Luxembourg. From January 2016 to March 31, 2018 the Company provided similar services to Oath (UK) Limited (formerly AOL (UK) Limited), a private limited company incorporated and existing under the laws of England and Wales.

Since April 1, 2018, the recipient of these services is Oath (EMEA) Limited (formerly Yahoo! EMEA Limited), a company registered and existing in the Republic of Ireland

Recognition and measurement uncertainties

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Unusual matters

The company's financial position at 31 December 2017 and the results of its operations for the financial year ended 31 December 2017 are not affected by any unusual matters.

Business review

The company's income statement for the year ended 31 December shows a profit of TEUR 284 and the balance sheet at 31 December 2017 shows equity of TEUR 2.491.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position, however on March 20, 2018, AOL Denmark Holdings ApS sold its entire investment in the Company to Oath (Netherlands) B.V. (formerly Yahoo! Netherlands B.V.).

In March 2018, the company distributed its investment in Oath (France) Sarl (with a FMV of EUR2million) to Oath (Netherlands) BV, as an extraordinary dividend in kind.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2017</u> TEUR	<u>2016</u> TEUR
Gross profit		2.738	2.273
Staff costs	1	-2.307	-2.048
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-17	-6
Profit/loss before financial income and expenses		414	219
Impairment losses on financial assets		-19	0
Financial income	2	21	15
Financial costs	3	-47	-7
Profit/loss before tax		369	227
Tax on profit/loss for the year	4	-85	-56
Net profit/loss for the year		<u>284</u>	<u>171</u>
 Distribution of profit			
Retained earnings		<u>284</u>	<u>171</u>
		<u>284</u>	<u>171</u>

Balance sheet 31 December

	Note	2017	2016
		TEUR	TEUR
Assets			
Other fixtures and fittings, tools and equipment		42	57
Tangible assets		42	57
Investments in subsidiaries		45	64
Deposits		24	14
Fixed asset investments		69	78
Fixed assets total		111	135
Receivables from group entities		802	619
Other receivables		77	79
Deferred tax asset		1	1
Prepayments		0	15
Receivables		880	714
Cash at bank and in hand		2.472	2.937
Current assets total		3.352	3.651
Assets total		3.463	3.786

Balance sheet 31 December

	<u>Note</u>	<u>2017</u> TEUR	<u>2016</u> TEUR
Liabilities and equity			
Share capital		70	70
Retained earnings		<u>2.421</u>	<u>2.137</u>
Equity	5	<u>2.491</u>	<u>2.207</u>
Trade payables		13	60
Payables to group entities		41	870
Corporation tax		86	52
Other payables		<u>832</u>	<u>597</u>
Short-term debt		<u>972</u>	<u>1.579</u>
Debt total		<u>972</u>	<u>1.579</u>
Liabilities and equity total		<u><u>3.463</u></u>	<u><u>3.786</u></u>
Contingent assets, liabilities and other financial obligations	6		

Notes

5 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	70	2.137	2.207
Net profit/loss for the year	0	284	284
Equity at 31 December 2017	70	2.421	2.491

6 Contingent assets, liabilities and other financial obligations

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

Rent obligation as per 31 December 2017 amounts to TEUR 228 (TEUR 90 as per 31 December 2016).

Accounting policies

The annual report of Oath (Denmark) ApS for 2017 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 are consistent with those of last year.

The annual report for 2017 is presented in TEUR

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less cost of sales and other external expenses.

Accounting policies

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 supply of services is recognized as revenue with reference to the stage of completion.

The company recognizes revenue for transactions only where the company is considered the principal in its arrangement, that is, where it is the primary obligor in the revenue arrangements, has pricing latitude, and is exposed to credit risk. Revenue is not recognized 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 operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses.

Dividend from investments in subsidiaries is recognised in the income statement in the year of declaration. Distributions of dividend where the dividend exceeds the profit for the year or where the carrying amount of the Company's investments in the subsidiary exceeds the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Fixtures and fittings, tools and equipment	3-5 years

Accounting policies

Investments in subsidiaries

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

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Accounting policies

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade liabilities, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.