

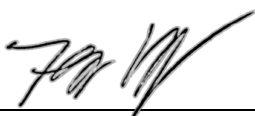
Oath (Denmark) ApS
c/o Harbour House, Sundkrogsgade 21, 2100 Copenhagen

Company reg. no. 25 90 33 15

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 18th May 2021.



Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that EUR 146.940 corresponds to the English amount of EUR 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the executive board has presented the annual report of Oath (Denmark) ApS for the financial year 1 January - 31 December 2020 of Oath (Denmark) ApS.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the Company's assets, equity and liabilities, and financial position at 31 December 2020 and of the Company's results of activities in the financial year 1 January – 31 December 2020.

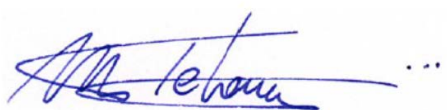
We are of the opinion that the management commentary presents a fair account of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, May 12, 2021

Executive board

Michel Hubertus Paulus Teheux



Jesper Silvester Laumand



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 2020, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Frederiksberg, May 12, 2021

EY Godkendt Revisionspartnerselskab

Company reg. no. 30 70 02 28



Henrik Reedtz

State Authorised Public Accountant
mne24830

Company information

The company

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

Company reg. no. 25 90 33 15
Domicile: Copenhagen
Financial year: 1 January 2020 - 31 December 2020

Executive board

Michel Hubertus Paulus Teheux
Jesper Silvester Laumand

Auditors

EY
Godkendt Revisionspartnerselskab
c/o Postboks 250,
Dirch Passers Allé 36
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 commentary

Business activities

The Company's principal activity is 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 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 31 March 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 1 April 2018, the recipient of these services is Verizon Media EMEA Limited (formerly Oath (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 2020 and the results of its operations for the financial year ended 31 December 2020 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 493 and the balance sheet at 31 December 2020 shows equity of TEUR 3,916.

Management considers the Company's financial performance in the year satisfactory.

Effects of Covid-19 pandemic

Subsequent to the end of the financial year, the COVID-19 outbreak has continued to impact businesses and society to varying degrees in many countries across the world including Denmark. The responses, in dealing with the pandemic, continue to interfere with normal activity levels across the community, the economy and business operations as it has done so since March 2020.

The rollout of several newly developed vaccines coupled with Government policy should see a gradual and safe return to a more normal, pre pandemic, situation. It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

So far, the Company has not seen a significant impact on our business to date.

Management commentary

Significant events occurring after end of reporting period

On May 2, 2021, Verizon Communications Inc, together with Verizon Business International Holdings B.V., a private limited liability company organized under the laws of the Netherlands and wholly owned subsidiary of Verizon Communications Inc (together with Verizon, the “Sellers”), entered into a stock purchase agreement (the “Purchase Agreement”) with College Parent, L.P., a Delaware limited partnership (“Purchaser”). Pursuant to the Purchase Agreement, upon the terms and subject to the conditions thereof, the Sellers will sell to Purchaser all of the outstanding equity interests of Oath Inc., a Delaware corporation, and Verizon Media Netherlands B.V., a private limited liability company organized under the laws of the Netherlands, which together comprise Verizon’s Verizon Media Group business (the “Sale”). The consideration for the Sale will consist of \$4.25 billion in cash, subject to customary adjustments, \$750,000,000 in non-convertible preferred limited partnership units of the Purchaser, and 10% of the fully-diluted common limited partnership units of Purchaser. The immediate parent undertaking of Oath (Denmark) ApS is Verizon Media Netherlands BV.

The Sale is subject to customary regulatory approvals and closing conditions but is anticipated to close before the end of 2021.

Accounting policies

The annual report for Oath (Denmark) ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises and elective choice of certain provisions applying to reporting class C entities.

The annual report is presented in euro (EUR). The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the Company and the value of the liability can be reliably measured.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Accounting policies

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

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

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.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Accounting policies

Dividend from equity investments in group enterprises is recognised in the financial year in which the dividend is declared. 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.

Interest and other costs concerning loans for financing the production of tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The Company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed 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.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

| | Useful life |
|--|-------------|
| Fixtures and fittings, tools and equipment | 3-5 years |
| Building improvements | 15 years |

Writedown of fixed assets

The carrying amount of 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.

Accounting policies

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.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Other receivables

Other receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Corporate tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Oath (Denmark) ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Accounting policies

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Liabilities other than provisions

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

Income statement 1 January - 31 December

EUR thousand.

| <u>Note</u> | <u>2020</u> | <u>2019</u> |
|---|--------------|--------------|
| Gross profit | 2.933 | 3.239 |
| 1 Staff costs | -2.645 | -2.952 |
| Depreciation and writedown relating to fixed assets | <u>-20</u> | <u>-21</u> |
| Operating profit | 268 | 266 |
| Income from equity investments in group enterprises | 330 | 385 |
| Other financial income | 0 | 38 |
| 2 Other financial costs | <u>-27</u> | <u>0</u> |
| Pre-tax net profit or loss | 571 | 689 |
| 3 Tax on ordinary results | <u>-78</u> | <u>-99</u> |
| Result for the year | 493 | 590 |
| Proposed appropriation of net profit: | | |
| Transferred to retained earnings | <u>493</u> | <u>590</u> |
| Total allocations and transfers | 493 | 590 |

Statement of financial position at 31 December

EUR thousand.

| <u>Note</u> | <u>2020</u> | <u>2019</u> |
|--|--------------|--------------|
| Assets | | |
| Fixed assets | | |
| Other plants, operating assets, and fixtures and furniture | 42 | 63 |
| Total Tangible assets | 42 | 63 |
| Equity investments in group enterprises | 13 | 13 |
| Deposits | 48 | 45 |
| Total financial fixed assets | 61 | 58 |
| Total fixed assets | 103 | 121 |
| Current assets | | |
| Amounts owed by group enterprises | 4.648 | 299 |
| Deferred tax assets | 0 | 1 |
| Other debtors | 91 | 93 |
| Accrued income and deferred expenses | 44 | 0 |
| Total receivables | 4.783 | 393 |
| Available funds | 481 | 4.006 |
| Total current assets | 5.264 | 4.399 |
| Total assets | 5.367 | 4.520 |

Statement of financial position at 31 December

EUR thousand.

| Equity and liabilities | | | |
|--|--|--------------|--------------|
| <u>Note</u> | | <u>2020</u> | <u>2019</u> |
| Equity | | | |
| 4 | Contributed capital | 70 | 70 |
| 5 | Results brought forward | 3.846 | 3.353 |
| | Total equity | 3.916 | 3.423 |
| Provisions | | | |
| | Provisions for deferred tax | 0 | 0 |
| | Total provisions | 0 | 0 |
| Liabilities other than provisions | | | |
| | Other debts | 0 | 86 |
| | Total long term liabilities other than provisions | 0 | 86 |
| | Trade payables | 2 | 17 |
| | Debt to group enterprises | 123 | 186 |
| | Corporate tax | 76 | 101 |
| | Other payables | 1.250 | 707 |
| | Total short term liabilities other than provisions | 1.451 | 1.011 |
| | Total liabilities other than provisions | 1.451 | 1.097 |
| | Total equity and liabilities | 5.367 | 4.520 |

6 Contractual obligations and contingencies

Notes

EUR thousand.

| | <u>2020</u> | <u>2019</u> |
|---|--------------|--------------|
| 1. Staff costs | | |
| Salaries and wages | 2.465 | 2.754 |
| Other costs for social security | 136 | 142 |
| Other staff costs | 44 | 56 |
| | <u>2.645</u> | <u>2.952</u> |
| | | |
| Average number of employees | <u>15</u> | <u>20</u> |
| | | |
| 2. Other financial costs | | |
| Other financial costs | 27 | 0 |
| | <u>27</u> | <u>0</u> |
| | | |
| 3. Tax on ordinary results | | |
| Tax of the results for the year | 77 | 101 |
| Adjustment for the year of deferred tax | 1 | -2 |
| | <u>78</u> | <u>99</u> |

Notes

EUR thousand.

| | <u>31/12 2020</u> | <u>31/12 2019</u> |
|---|---------------------|---------------------|
| 4. Contributed capital | | |
| Contributed capital 1 January 2020 | <u>70</u> | <u>70</u> |
| | <u>70</u> | <u>70</u> |
| 5. Results brought forward | | |
| Results brought forward 1 January 2020 | 3.353 | 2.763 |
| Profit or loss for the year brought forward | <u>493</u> | <u>590</u> |
| | <u>3.846</u> | <u>3.353</u> |

6. Contractual obligations and contingencies

Joint taxation

The Company is jointly taxed with Danish group companies. Hence, the Company has unlimited joint and several liability for payment of Danish corporation taxes. Any subsequent corrections of the income subject to joint taxation may entail that the Company's liability will increase.

There is an ongoing tax audit in the Company. The case concerns the valuation placed on the Company's intangible assets transferred to a group company AOL Europe Holdings (2) & Cie S.e.n.c, Luxembourg in May 2012. The Company has appealed the assessment. The Company is confident that it will ultimately win the appeal on the basis that the original valuation of 2012 was reasonable. If the appeal is unsuccessful however the Company may be required to pay estimate amount of €11,912,398 calculated as at 31 December 2020 in Income tax, penalties and interest.

Operating lease commitments

The Company has entered into rent agreements and operating leases at the following amounts: Remaining term of 12 months with an average monthly payment of DKK 59,779 monthly, totaling DKK 717,348.