

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

Company reg. no. 25 90 33 15

**Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 25th of May 2022.

---

Michel Hubertus Paulus Teheux  
Chairman of the meeting

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Management's review	6
<b>Financial statements 1 January - 31 December 2021</b>	
Accounting policies	7
Income statement	12
Balance sheet	13
Notes	15

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

---

Today, the Managing Director has approved the annual report of Oath (Denmark) ApS (the "Company") for the financial year 1 January - 31 December 2021.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Copenhagen, 25th of May 2022

**Managing Director**

Michel Hubertus Paulus Teheux

## **Independent auditor's report**

---

### **To the shareholders of Oath (Denmark) ApS**

#### **Opinion**

We have audited the financial statements of Oath (Denmark) ApS for the financial year 1 January – 31 December 2021, 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### **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.

### **Independent auditor's report**

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 note 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.

## **Independent auditor's report**

---

### **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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25th of May 2022

### **EY Godkendt Revisionspartnerselskab**

Company reg. no. 30 70 02 28

**Henrik Reedtz**  
State Authorised Public Accountant  
mne24830

**Rikke Buchholt**  
State Authorised Public Accountant  
mne46359

## **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 2021 - 31 December 2021

### **Managing Director**

Michel Hubertus Paulus Teheux

### **Auditors**

EY  
Godkendt Revisionspartnerselskab  
c/o Postboks 250,  
Dirch Passers Allé 36  
2000 Frederiksberg

## **Management's review**

---

### **The principal activities of the company**

The Company's principal activity is marketing of products related to Internet based marketing videos and online advertising in Denmark.

The recipient of these services is Yahoo EMEA Limited (formerly Verizon Media 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 2021 and the results of its operations for the financial year ended 31 December 2021 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 174 and the balance sheet at 31 December 2021 shows equity of TEUR 4,215.

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 pandemic continues to impact businesses and society to varying degrees in many countries across the world including Denmark. The responses, in dealing with the pandemic and recent surge in new variants, 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 sensible Government policy has seen a gradual and safe return to a more normal, pre pandemic, situation.

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



## **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.

### **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.

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.

## **Accounting policies**

---

### **Income statement**

#### **Gross profit**

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

#### **Revenue**

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition. 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.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### **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, 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.

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.

## Accounting policies

---

### 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 the administration company in respect of the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities.

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

#### Property, plant and equipment

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.

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

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

#### Writedown of non-current assets

The carrying amount of property, plant and equipment and investments in subsidiaries is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets.

## **Accounting policies**

---

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

### **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

### **Deposits**

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

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

### **Prepayments**

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

### **Equity**

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

### **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.

## **Accounting policies**

---

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.

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**

Financial liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Other liabilities are measured at net realisable value.

## Income statement 1 January - 31 December

---

EUR thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>2.661</b>	<b>2.933</b>
1 Staff costs	-2.370	-2.645
Depreciation and writedown relating to property, plant and equipment	-18	-20
<b>Operating profit</b>	<b>273</b>	<b>268</b>
Income from investments in subsidiaries	0	330
Other financial expenses	-24	-27
<b>Pre-tax net profit or loss</b>	<b>249</b>	<b>571</b>
2 Tax on ordinary results	-75	-78
<b>Result for the year</b>	<b>174</b>	<b>493</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	174	493
<b>Total allocations and transfers</b>	<b>174</b>	<b>493</b>

## Balance sheet at 31 December

---

EUR thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
Other plants, operating assets, and fixtures and furniture	24	42
Total property, plant, and equipment	24	42
Investments in subsidiaries	13	13
Deposits	48	48
Total investments	61	61
<b>Total non-current assets</b>	<b>85</b>	<b>103</b>
<b>Current assets</b>		
Receivables from subsidiaries	4.071	4.648
Other debtors	123	91
Prepayments	38	44
Total receivables	4.232	4.783
Cash and cash equivalents	903	481
<b>Total current assets</b>	<b>5.135</b>	<b>5.264</b>
<b>Total assets</b>	<b>5.220</b>	<b>5.367</b>

## Balance sheet at 31 December

---

EUR thousand.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Equity</b>			
3	Contributed capital	70	70
4	Retained earnings	4.145	3.846
	<b>Total equity</b>	<b>4.215</b>	<b>3.916</b>
<b>Provisions</b>			
	Provisions for deferred tax	2	0
	<b>Total provisions</b>	<b>2</b>	<b>0</b>
<b>Long term liabilities other than provisions</b>			
	Trade creditors	22	2
	Payables to subsidiaries	0	123
	Corporate tax	25	76
	Other payables	956	1.250
	Total short term liabilities other than provisions	1.003	1.451
	<b>Total liabilities other than provisions</b>	<b>1.003</b>	<b>1.451</b>
	<b>Total equity and liabilities</b>	<b>5.220</b>	<b>5.367</b>
<b>5</b>	<b>Contractual obligations and contingencies</b>		



## Notes

---

EUR thousand.

	<u>2021</u>	<u>2020</u>
<b>1. Staff costs</b>		
Salaries and wages	2.246	2.465
Other costs for social security	124	136
Other staff costs	<u>0</u>	<u>44</u>
	<b><u>2.370</u></b>	<b><u>2.645</u></b>
Average number of employees	<u>13</u>	<u>15</u>
<b>2. Tax on ordinary results</b>		
Tax of the results for the year	74	77
Adjustment for the year of deferred tax	<u>1</u>	<u>1</u>
	<b><u>75</u></b>	<b><u>78</u></b>
<b>3. Contributed capital</b>		
Contributed capital 1 January 2021	<u>70</u>	<u>70</u>
	<b><u>70</u></b>	<b><u>70</u></b>
<b>4. Retained earnings</b>		
Retained earnings 1 January 2021	3.846	3.353
Profit or loss for the year brought forward	174	493
IC - Debt forgiveness	<u>125</u>	<u>0</u>
	<b><u>4.145</u></b>	<b><u>3.846</u></b>

## Notes

---

EUR thousand.

### 5. 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 €12,524,656 calculated as at 31 December 2021 in Income tax, penalties and interest.

#### Operating lease commitments

The Company has entered into rent agreements and operating leases at the following amounts:  
The lease will continue until either party gives the required notice. The lease in 2022 has an average monthly payment of DKK 61,573 monthly, totaling DKK 738,876.