

AOL Denmark Holdings ApS under frivillig likvidation


c/o Flemming Allan Nivaro, Gustav Adolfs Gade 5, 2. th., 2100 Copenhagen

Company reg. no. 34 04 41 71

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 20 May 2021



Joseph Nivaro
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 %.

Liquidator's report

The liquidator has today presented the annual report of AOL Denmark Holdings ApS under frivillig likvidation for the financial year 1 January - 31 December 2020 of AOL Denmark Holdings ApS under frivillig likvidation.

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

I consider the accounting policies appropriate and, in my 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.


I am of the opinion that the liquidator's report presents a fair account of the issues dealt with.

It was proposed to the annual general meeting that the financial statement for 2021 should not be audited.

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

Copenhagen, 20 May 2021

Liquidator


Joseph Nivaro
Liquidator

Independent auditor's report

To the shareholder of AOL Denmark Holdings ApS under frivillig likvidation in liquidation

Opinion

We have audited the financial statements of AOL Denmark Holdings ApS under frivillig likvidation 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.

Emphasis of matter in the financial statements

We draw attention to the description of accounting policies in the financial statements. The financial statements are prepared for purposes of the Company's liquidation. Consequently, the financial statements may be unsuitable for other purposes.

We have not modified our opinion in respect of this matter.

Liquidator's responsibilities for the financial statements

The liquidator 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 the liquidator 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, the liquidator 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 the liquidator 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 the liquidator.
- Conclude on the appropriateness of the liquidator'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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 liquidator's review

Liquidator is responsible for the liquidator's review.

Our opinion on the financial statements does not cover the liquidator'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 liquidator's review and, in doing so, consider whether the liquidator's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

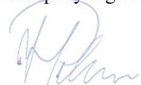
Moreover, it is our responsibility to consider whether the liquidator's review provides the information required under the Danish Financial Statements Act.

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

Frederiksberg, 20 May 2021

EY
Godkendt Revisionspartnerselskab

Company reg. no. 30 70 02 28



Henrik Reedtz

State Authorised Public Accountant
mne24830

Company information

The company

AOL Denmark Holdings ApS under frivillig likvidation
c/o Flemming Allan Nivaro
Gustav Adolfs Gade 5, 2. th.
2100 Copenhagen

Company reg. no. 34 04 41 71
Financial year: 1 January 2020 - 31 December 2020
Commencement of the liquidation
procedure: 21 December 2018

Liquidator

Joseph Nivaro, Gustav Adolfs Gade 5, 2. th.
2100 Copenhagen, Liquidator

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. Copies of the group financial statements of Verizon Communications Inc. are available to the public from Verizon Communications Inc., 1095 Avenue of the Americas, New York, NY 10036, USA

Liquidator commentary

The principal activities of the Company

The Company is dormant now. It was placed in liquidation on 21 December 2018. The Company was a holding company and its primary activity was owning shares in companies in Denmark.

As there is an ongoing tax audit in the Company the liquidation will not be carried out until the tax audit has been completed. Further information on the tax audit is disclosed in note 5.

Uncertainties about recognition or measurement

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

Unusual matters

The Company's financial position at 31st December 2020 and the results of its operations for the financial year ended 31st December 2020 are not affected by unusual matters.

Business review

The Company's income statement for the year ended 31st December 2020 shows a loss of TEUR 21 and the balance sheet at 31st December 2020 shows equity of TEUR 94.

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.

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. Oath Inc is an intermediate parent undertaking of AOL Denmark Holdings ApS. The ultimate parent and controlling party is Verizon Communications Inc.

Liquidator commentary

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 AOL Denmark Holdings ApS under frivillig likvidation has been presented in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B enterprises with the modifications caused by the liquidation.

The most significant modifications resulting from the liquidation

Assets and equity and liabilities have been measured at realisable values. As a result of the liquidation, all assets have been recognised under current assets whereas all liabilities other than provisions are recognised as short-term payables.

The accounting policies used are unchanged compared to last year, and the annual report is presented in euro (EUR).

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.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Accounting policies

Income statement

Gross loss

Gross loss comprises other operating income, and external costs.

Other external expenses include expenses related to administration.

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.

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Liabilities

Liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

EUR thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross loss	-21	-30
Other financial income	31	3
2 Other financial costs	<u>-31</u>	<u>-3</u>
Result before tax	-21	-30
Tax on ordinary results	<u>0</u>	<u>0</u>
Result for the year	-21	-30
Proposed appropriation of net profit:		
Allocated from retained earnings	<u>-21</u>	<u>-30</u>
Total allocations and transfers	-21	-30

Statement of financial position at 31 December

EUR thousand.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Current assets		
Receivables from group enterprises	0	31
Total receivables	0	31
Available funds	105	95
Total current assets	105	126
Total assets	105	126

Statement of financial position at 31 December

EUR thousand.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
3	Contributed capital	32	32
4	Results brought forward	63	84
	Total equity	95	116
Liabilities other than provisions			
	Other debts	10	10
	Total short term liabilities other than provisions	10	10
	Total liabilities other than provisions	10	10
	Total equity and liabilities	105	126

1 Uncertainties concerning recognition and measurement

5 Contingent liabilities

Notes

EUR thousand.

1. Uncertainties concerning recognition and measurement

The Company has entered into liquidation and, as a result, the financial statements will be presented in accordance with the realisation principle.

	<u>2020</u>	<u>2019</u>
2. Other financial costs		
Other financial costs	<u>31</u>	<u>3</u>
	<u>31</u>	<u>3</u>

Notes

EUR thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
3. Contributed capital		
Contributed capital 1 January 2020	<u>32</u>	<u>32</u>
	<u>32</u>	<u>32</u>
4. Results brought forward		
Results brought forward 1 January 2020	84	114
Profit or loss for the year brought forward	<u>-21</u>	<u>-30</u>
	<u>63</u>	<u>84</u>

5. Contingent liabilities

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.