MetroXpress Denmark A/S

Langebrogade 6E 5
1411 København K

CVR no. 26 21 58 46

Annual report for the period 1 January – 31 December 2017

The annual report was presented and approved at the Company's annual general meeting on

31 May 2018

Christoph Georg Tonini
chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of MetroXpress Denmark A/S for the financial year 1 January – 31 December 2017.

The annual report has been 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 assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen 31 May 2018
Executive Board:

Marcel René Kohler

Board of Directors:

Christoph Georg Tonini Chairman	Marcel René Kohler	Bruno Armin Furrer

Independent auditor's report

To the shareholder of MetroXpress Denmark A/S

Opinion

We have audited the financial statements of MetroXpress Denmark A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. 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 Company's assets, liabilities and 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding matters in the financial statements

The Company's equity is negative. We refer to note 9 concerning received support letter from the Parent Company.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2018
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
MNE no. 32271

Management's review

Company details

MetroXpress Denmark A/S
Langebrogade 6E 5
1411 København K

CVR no.:	26 21 58 46
Established:	30 August 2001
Financial year:	1 January – 31 December

Board of Directors

Christoph Georg Tonini, Chairman
Marcel René Kohler
Bruno Armin Furrer

Executive Board

Marcel René Kohler

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Management's review

Financial highlights

DKK'000	2017	2016	2015	2014	2013
Key figures					
Revenue	6,611	98,453	104,740	100,749	111,358
Gross profit/loss	79,225	7,677	6,346	-19,886	-12,357
Operating profit/loss	76,916	-44,219	-40,846	-63,898	-62,300
Profit/loss from financial income and expenses	-6,732	-4,120	-2,921	-3,978	-3,074
Profit/loss for the year	66,173	-48,339	-43,133	-67,876	-65,374
Total assets	81,716	17,796	21,370	17,216	22,011
Equity	-227,291	-293,461	-245,122	-201,989	-134,113
Ratios					
Gross margin	1,198.4%	7.8%	6.1%	-19.7%	-11.1%
Profit margin	1,163.5%	-44.9%	-39.0%	-63.4%	-55.9%
Return on assets	94.1%	-248.5%	-191.1%	-371.2%	-283.0%
Solvency ratio	-278.1%	-1,649.0%	-1,147.0%	-1,173.3%	-609.3%
Return on equity	-25.4%	-18.0%	-19.3%	-40.4%	-64.5%
Average number of full-time employees	7	82	80	82	85

2017 is not comparable with previous years, as the Company's business has changed significantly as described in the Management's review.

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations & Ratios". The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

Management's review

Operating review

Principal activities

On January 4 2013, 20 Minuten AG aquired 100% of the share capital of the Company from all shareholders. 20 Minuten AG is a subsidiary of Tamedia AG a company listed in Switzerland. 20 Minuten AG publishes free newspapers in Switzerland.

In January 2017, the primary activities of the Company, MetroXpress, was merged with BT. Following the merger, MetroXpress Denmark A/S owns 30% of the new company BTMX P/S. Remaining activities comprise "train TV" activities with television advertising on trains.

Development in activities and financial position

The income statement of the Company for 2017 shows a profit of DKK 66,173 thousand, and at 31 December 2017 the balance sheet of the Company shows negative equity of DKK 227,291 thousand.

The result include profit of DKK 79,684 thousand from divesting the MetroXpress activities.

Significant changes in the Company's activities and financial position

As explained above, the Company's activity has changed significantly in January 2017. Adjusted for the profit from the divestment, the revenue and result for 2017 are in line with the comparable activity for 2016.

Claim relating to gambling ads

In 2011, the Company received a claim for confiscation of revenue relating to gambling ads inserted during a number of years. Management disagrees with the content of the claim, and based on the documentation presented, we asses that there is no considerable risk of the Company losing the case. Clarification of the claim awaits court ruling regarding other similar claims.

Outlook

In 2018, a small loss is expected.

Equity and capital structure

The Company has negative equity of DKK 227,3 million and is therefore comprised by the rules of section 69A of the Danish Companies Act regarding the Board of Directors' obligation to take measures to restore the share capital of the Company. The Board of Directors and the Executive Board are of the opinion that the share capital will be restored through the Company's future profits.

The Parent Company, Tamedia AG, has confirmed its intention to provide Metroxpress Denmark A/S with the liquidity required to settle its liabilities until the adoption of the annual report for 2018.

Environment

In terms of production, the company put emphasis on suppliers, including subsidiaries, to minimize material usage and ensure the collection of environmentally harmful substances for recycling and controlled degradation. There is no direct discharge of concumables and waste products to nature in connection with the company production.

Through industry associations, the Company contributes to the development of printing methods, which

Management's review

Operating review

reduce environmental impact. Paper is purchased jointly with other media companies, which ensures an environmentally friendly green paper production and replanting trees (FSC approved). Unsold newspapers are recycled.

Subsequent events

No events materially affecting the assesment of the Annual Report have occured after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Revenue		6,611	98,453
Other income	2	79,684	0
Other external costs		-7,070	-90,776
Gross profit		79,225	7,677
Staff costs	3	-2,309	-51,112
Depreciation	4	0	-784
Operating profit/loss		76,916	-44,219
Financial expenses	5	-6,732	-4,120
Profit/Loss before tax		70,184	-48,339
Tax on profit/loss for the year		-4,011	0
Profit for the year	6	66,173	-48,339

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Fixtures and fittings, tools and equipment		0	3,209
		0	3,209
Investments	8		
Investments in associates		75,000	0
		75,000	0
Total fixed assets		75,000	3,209
Current assets			
Receivables			
Trade receivables		181	8,536
Other receivables		8	1,502
Prepayments		94	242
		283	10,280
Cash at bank and in hand		6,433	4,307
Total current assets		6,716	14,587
TOTAL ASSETS		81,716	17,796

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Contributed capital		662	662
Retained earnings		-227,953	-294,123
Total equity		-227,291	-293,461
Provisions			
Other provisions		0	2,101
Total provisions		0	2,101
Liabilities other than provisions			
Non-current liabilities other than provisions	9		
Payables to group entities		304,059	296,329
		304,059	296,329
Current liabilities other than provisions			
Prepayments received from customers		0	179
Trade payables		457	3,350
Other payables		4,491	9,298
		4,948	12,827
Total liabilities other than provisions		309,007	309,156
TOTAL EQUITY AND LIABILITIES		81,716	17,796

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Financial statements 1 January – 31 December

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity at 1 January 2017	662	-294,126	-293,464
Transferred over the Income Statement	0	66,173	66,173
Equity at 31 December 2017	662	-227,953	-227,291

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of MetroXpress Denmark A/S for 2017 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Financial Statements for 2017 are presented in TDKK.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Tamedia AG.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Income statement

Revenue

Revenue from the sale of advertisements is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other income

Other income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Depreciation

Depreciation comprise/depreciation of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in associates measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish Group companies. The tax effect of the joint taxation with the Group companies is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3,5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity investments in associates

Equity investments in associates are measured at cost. If cost exceeds the net realisable value, write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

2 Other income

DKK'000	2017	2016
Profit from divestment of MetroXpress activity	79,684	0
	79,684	0

3 Staff costs

Wages and salaries	1,618	47,320
Pensions	557	3,191
Other social security costs	134	601
	2,309	51,112
Average number of full-time employees	7	82

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

4 Depreciation

Property, plant and equipment	0	784
	0	784

5 Financial expenses

Interest expense to group entities	6,731	4,136
Exchange losses	1	-16
	6,732	4,120

6 Proposed profit appropriation/distribution of loss

Retained earnings	66,173	-48,339
	66,173	-48,339

Financial statements 1 January – 31 December

Notes

7 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment
Cost at 1 January 2017	18,871
Disposals for the year	-18,871
Cost at 31 December 2017	0
Depreciation and impairment losses at 1 January 2017	14,878
Depreciation for the year	784
Reversed depreciation and impairment losses on assets sold	-15,662
Depreciation and impairment losses at 31 December 2017	0
Carrying amount at 31 December 2017	0

8 Investments

DKK'000	2017
Cost at 1 January 2017	0
Additions for the year	75,000
Cost at 31 December 2017	75,000
Carrying amount at 31 December 2017	75,000

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
			DKK'000	DKK'000
BTMX P/S	Copenhagen	30%	191,409	-58,591
BTMX General Partner ApS	Copenhagen	30%	50	0
			191,459	-58,591

9 Non-current liabilities other than provisions

DKK'000	2017	2016
After 5 years	304,059	296,329
	304,059	296,329

The Parent Company Tamedia AG has confirmed its intention to provide MetroXpress Denmark A/S with the liquidity required to settle its liabilities until the adoption of the annual report for 2018.

Financial statements 1 January – 31 December

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10 Contractual obligations, contingencies, etc.

In 2011, the police has pressed charges for violation of the Danish Gambling Act, and the gambling authorities have raised a substantial confiscation claim and "illegal" advertising income. Management does not see that there is a basis for confiscation and has not assigned any financial value to this claim. Clarification of the claim awaits court ruling regarding other similar claims.

The Company's deferred tax asset amounts DKK 61 million. The tax asset has not been recognized as utilization is uncertain.

11 Related party disclosures

The Company's related parties comprise Tamedia AG (owner) and Trendsales A/S (sister company).

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Consolidated financial statements

The company is consolidated in the Financial Statements of Tamedia AG.

The Group Annual Report for Tamedia AG may be obtained at the following address: http://tamedia.ch/en/investorrelations/financial-reports/.