

## **Blu A/S**

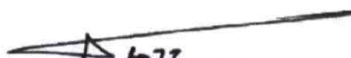
Skolegade 19C, 2. sal

2500 Valby

CVR No. 28296819

## **Annual Report 2016**

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 27 April 2017

  
\_\_\_\_\_  
Andrew Bott  
Chairman

**Blu A/S**

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Blu A/S

## Management's Statement

Today, Management has considered and adopted the Annual Report of Blu A/S for the financial year 1 January 2016 - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

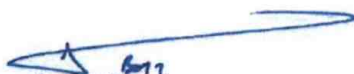
Copenhagen, 27 April 2017

### Executive Board



Anne Brostrøm Storgaard  
Man. Director

### Supervisory Board



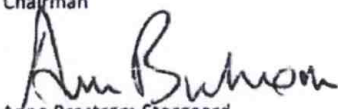
Andrew Bott  
Chairman



Jacqueline Frances Moreton



Daniela Nicoleta Matei



Anne Brostrøm Storgaard

Blu A/S

## **Independent Auditor's Report**

To the shareholders of Blu A/S

### **Opinion**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31-12-2016 and of the results of its operations for the financial year 01-01-2016 - 31-12-2016 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Blu A/S for the financial year 01-01-2016 - 31-12-2016, which comprise an income statement, balance sheet, statement of changes in equity and notes including a summary of significant accounting policies applied.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

### **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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

### **The auditor's responsibility for the audit of the financial statements**

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements

## Independent Auditor's Report

can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Hellerup, 27-04-2017

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-no. 33771231



Niels Henrik B. Mikkelsen  
State Authorised Public Accountant



**Blu A/S**

**Company details**

|                          |  |
|--------------------------|--|
| <b>Company</b>           | Blu A/S<br>Skolegade 19C, 2. sal<br>2500 Valby   |
| Telephone                | 4532648200   |
| Telefax                  | 4532648201   |
| email                    | mail@blu.dk  |
| Website                  | www.blu.dk   |
| CVR No.                  | 28296819   |
| Financial year           | 1 January 2016 - 31 December 2016  |
| <b>Supervisory Board</b> | Andrew Bott, Chairman<br>Jacqueline Frances Moreton<br>Daniela Nicoleta Matei<br>Anne Brostrøm Storgaard                   |
| <b>Executive Board</b>   | Anne Brostrøm Storgaard, Man. Director   |
| <b>Auditors</b>          | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Strandvejen 44<br>2900 Hellerup<br>CVR-no.: 33771231 |
| <b>Bank</b>              | Danske Bank  |

**Blu A/S**

## **Management's Review**

### **The Company's principal activities**

The objective of the Company is to develop and own concepts for production of television programmes and other related activities.

### **Insecurity regarding recognition or measurement**

There is no material insecurity regarding recognition or measurement.

### **Exceptional circumstances**

No exceptional circumstances have affected recognition or measurement.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 01-01-2016 - 31-12-2016 shows a result of TDKK 5.162 and the Balance Sheet at 31-12-2016 a balance sheet total of TDKK 55.422 and an equity of TDKK 22.920.

### **Capital resources**

The management assesses that the cash resources are sufficient to cover future activities.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

### **Expectations for the future**

It is expected that revenue and earnings will be satisfactory.

### **Risks**

The Company is not assessed to be exposed to any particular risks.

### **Environmental issues**

The activities of the Company does not have material impact on the external environment. The Company make an effort to use scanning instead of printing to avoid unnecessary waste of paper resources.

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## **Key Figures and Financial Ratios**

The development in the Company's key figures and financial ratios can be described as follows:

|                                    | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Gross profit                       | 15.485      | 12.062      | 6.835       | 9.122       | 16.708      |
| Operating profit/loss              | 6.588       | 2.748       | 1.004       | -1.355      | 7.238       |
| Net financial income and expenses  | 36          | -199        | -10         | -11         | 55          |
| Profit/loss for the year           | 5.162       | 1.922       | 732         | -1.031      | 5.455       |
| Total assets                       | 55.422      | 50.265      | 58.857      | 40.665      | 43.819      |
| Total equity                       | 22.920      | 17.758      | 29.443      | 28.711      | 29.742      |
| Avg. number of full-time employees | 54          | 52          | 50          | 46          | 61          |
| Return on capital employed (%)     | 11,45       | 5,50        | 1,70        | -3,30       | 16,60       |
| Solvency ratio (%)                 | 41,36       | 35,32       | 50,00       | 70,60       | 67,90       |
| Return on equity (ROE) (%)         | 25,38       | 8,14        | 2,52        | -3,53       | 15,40       |

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions of key ratios, see Accounting and Valuation Principles



**Blu A/S**

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Blu A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

### **Consolidated Financial Statements**

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of RTL Group SA., the Company has not prepared consolidated financial statements.

### **Cash Flow Statement**

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of RTL Group SA., the Company has not prepared a cash flow statement.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

### **Translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## **General Information**

### **Basis of recognition and measurement**

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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## Accounting Policies

### Income Statement

#### Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

#### Revenue

Revenue is recognised in the income statement when the sale is considered effected and the delivery has been made before year and when the sales price has been determined and payment has been received or may with reasonable certainty be expected to be received. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contract work in progress is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

#### Operating expenses

Operation expenses comprise the materials, external fees and consumables consumed to achieve revenue for the year.

#### Other external expenses

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

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll other than production wages.

#### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

|  | Useful life |
|--|-------------|
| Goodwill   | 5 years     |
| Other fixtures and fittings, tools and equipment | 3-10 years  |

#### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year.

#### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company is jointly taxed with the Danish companies in the Bertelsmann SE & Co. KGaA Group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable income.

### Balance Sheet

#### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation and impairment losses.

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## **Accounting Policies**

Patents and licences are measured to the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

### **Tangible assets**

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses.

Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of tangible assets are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively.

The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

### **Equity investments in group enterprises and associates**

Equity investments in group enterprises and associates are measured at cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

### **Construct work in progress**

Construct work in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

The value of the individual contracts in progress less payments received on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### **Accrued income, assets**

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

### **Equity**

Proposed dividend for the year is recognised as a separate item in equity.



## Accounting Policies

### Provisions

#### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

#### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

#### Accruals and deferred income, equity and liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

#### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Explanation of financial ratios

|                                    |   |   |
|------------------------------------|---|---|
| Return on equity (%)               | = | $\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$                                |
| Return on capital employed (%)     | = | $\frac{(\text{Operating profit} + \text{Financial income}) \times 100}{\text{Avg. assets}}$ |
| Equity interest (equity ratio) (%) | = | $\frac{\text{Total equity} \times 100}{\text{Total liabilities}}$                           |

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## Income Statement

|  | Note | 2016<br>TDKK  | 2015<br>TDKK  |
|--|------|---------------|---------------|
| <b>Gross profit</b>  |      | <b>15.485</b> | <b>12.062</b> |
| Staff expenses   | 1    | -8.478        | -8.970        |
| Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss |      | -419          | -344          |
| <b>Profit from ordinary operating activities</b>   |      | <b>6.588</b>  | <b>2.748</b>  |
| Finance income   |      | 62            | 47            |
| Other finance expenses   |      | -26           | -246          |
| <b>Profit from ordinary activities before tax</b>  |      | <b>6.624</b>  | <b>2.549</b>  |
| Tax expense on ordinary activities   | 2    | -1.462        | -627          |
| <b>Profit</b>  |      | <b>5.162</b>  | <b>1.922</b>  |
| <b>Proposed distribution of results</b>  | 3    |               |               |

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**Balance Sheet as of 31. December**

|   | Note | 2016<br>TDKK  | 2015<br>TDKK  |
|---|------|---------------|---------------|
| <b>Assets</b>                                 |      |               |               |
| Rights and licenses                           | 4    | 0             | 0             |
| Goodwill                                      | 5    | 0             | 0             |
| <b>Intangible assets</b>                      |      | <u>0</u>      | <u>0</u>      |
| Fixtures, fittings, tools and equipment       | 6    | 993           | 498           |
| Leasehold improvements                        | 7    | 72            | 133           |
| <b>Property, plant and equipment</b>          |      | <u>1.065</u>  | <u>631</u>    |
| Investment in subsidiaries                    | 8, 9 | 1.402         | 1.402         |
| <b>Investments</b>                            |      | <u>1.402</u>  | <u>1.402</u>  |
| <b>Fixed assets</b>                           |      | <u>2.467</u>  | <u>2.033</u>  |
| Short-term trade receivables                  |      | 11.733        | 18.409        |
| Contract work in progress                     | 10   | 2.302         | 1.677         |
| Short-term receivables from group enterprises |      | 36.279        | 22.260        |
| Other short-term receivables                  |      | 691           | 800           |
| Prepayments                                   |      | 0             | 167           |
| Current deferred tax                          | 11   | 74            | 93            |
| <b>Receivables</b>                            |      | <u>51.079</u> | <u>43.406</u> |
| <b>Cash and cash equivalents</b>              |      | <u>1.876</u>  | <u>4.826</u>  |
| <b>Current assets</b>                         |      | <u>52.955</u> | <u>48.232</u> |
| <b>Assets</b>                                 |      | <u>55.422</u> | <u>50.265</u> |



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**Balance Sheet as of 31. December**

|  | Note | 2016<br>TDKK  | 2015<br>TDKK  |
|--|------|---------------|---------------|
| <b>Liabilities and equity</b>                                |      |               |               |
| Share capital  |      | 2.000         | 2.000         |
| Retained earnings  |      | 20.920        | 15.758        |
| <b>Equity</b>  |      | <b>22.920</b> | <b>17.758</b> |
| Prepayments received for work in progress                    |      | 23.376        | 22.150        |
| Trade payables   |      | 2.591         | 1.565         |
| Payables to group enterprises                                |      | 1.120         | 1.749         |
| Tax payables   |      | 580           | 84            |
| Other payables   |      | 4.835         | 5.335         |
| Deferred income, liabilities                                 |      | 0             | 1.624         |
| <b>Short-term liabilities other than provisions</b>          |      | <b>32.502</b> | <b>32.507</b> |
| <b>Liabilities other than provisions within the business</b> |      | <b>32.502</b> | <b>32.507</b> |
| <b>Liabilities and equity</b>                                |      | <b>55.422</b> | <b>50.265</b> |
| Contingent liabilities                                       | 12   |               |               |
| Ownership  | 13   |               |               |
| Related parties  | 14   |               |               |

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**Statement of changes in Equity**

|                                | <b>Contributed<br/>capital</b> | <b>Retained<br/>earnings</b> | <b>Total</b>  |
|--------------------------------|--------------------------------|------------------------------|---------------|
| Equity 1 January 2016          | 2.000                          | 15.758                       | 17.758        |
| Profit (loss)                  | 0                              |                              | 5.162         |
| <b>Equity 31 December 2016</b> | <b>2.000</b>                   | <b>20.920</b>                | <b>22.920</b> |

The share capital consists of 200 shares of a nominal value of TDKK 1,000.

No shares carry any special rights.

The share capital has remained unchanged for the last 5 years.

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## Notes

### 1. Staff expenses

|   | 2016         | 2015         |
|---|--------------|--------------|
| Wages and salaries                      | 34.226       | 30.442       |
| Pensions                                | 414          | 1.247        |
| Social security contributions           | 1.150        | 1.276        |
| Employee expenses transferred to assets | -28.292      | -26.381      |
| Other employee expense                  | 980          | 2.386        |
|   | <u>8.478</u> | <u>8.970</u> |
| Average number of employees             | <u>54</u>    | <u>52</u>    |

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

### 2. Tax expense

|                                    |              |            |
|------------------------------------|--------------|------------|
| Current income tax- year           | 1.450        | 620        |
| Current income tax- previous years | -7           | 7          |
| Deferred tax- current year         | 18           | 0          |
|                                    | <u>1.461</u> | <u>627</u> |

### 3. Proposed distribution of results

|                        |              |              |
|------------------------|--------------|--------------|
| Retained earnings      | <u>5.162</u> | <u>1.922</u> |
| Distribution of profit | <u>5.162</u> | <u>1.922</u> |

### 4. Rights and licenses

|  |               |               |
|--|---------------|---------------|
| Cost at the beginning of the year                          | <u>8.176</u>  | <u>8.176</u>  |
| Cost at the end of the year                                | <u>8.176</u>  | <u>8.176</u>  |
| Depreciation and amortisation at the beginning of the year | <u>-8.176</u> | <u>-8.176</u> |
| Impairment losses and amortisation at the end of the year  | <u>-8.176</u> | <u>-8.176</u> |
| Carrying amount at the end of the year                     | <u>0</u>      | <u>0</u>      |

### 5. Goodwill

|  |                |                |
|--|----------------|----------------|
| Cost at the beginning of the year                          | <u>31.945</u>  | <u>31.945</u>  |
| Cost at the end of the year                                | <u>31.945</u>  | <u>31.945</u>  |
| Depreciation and amortisation at the beginning of the year | <u>-31.945</u> | <u>-31.945</u> |
| Impairment losses and amortisation at the end of the year  | <u>-31.945</u> | <u>-31.945</u> |
| Carrying amount at the end of the year                     | <u>0</u>       | <u>0</u>       |

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## Notes

### 6. Fixtures, fittings, tools and equipment

|  | 2016          | 2015          |
|--|---------------|---------------|
| Cost at the beginning of the year                                | 5.807         | 5.436         |
| Addition during the year, incl. improvements                     | 853           | 371           |
| <b>Cost at the end of the year</b>                               | <b>6.660</b>  | <b>5.807</b>  |
| Depreciation and amortisation at the beginning of the year       | -5.309        | -5.035        |
| Amortisation for the year  | -358          | -274          |
| <b>Impairment losses and amortisation at the end of the year</b> | <b>-5.667</b> | <b>-5.309</b> |
| <b>Carrying amount at the end of the year</b>                    | <b>993</b>    | <b>498</b>    |

### 7. Leasehold improvements

|  |               |               |
|--|---------------|---------------|
| Cost at the beginning of the year                                | 1.480         | 1.480         |
| <b>Cost at the end of the year</b>                               | <b>1.480</b>  | <b>1.480</b>  |
| Depreciation and amortisation at the beginning of the year       | -1.347        | -1.278        |
| Amortisation for the year  | -61           | -69           |
| <b>Impairment losses and amortisation at the end of the year</b> | <b>-1.408</b> | <b>-1.347</b> |
| <b>Carrying amount at the end of the year</b>                    | <b>72</b>     | <b>133</b>    |

### 8. Long-term investments in group enterprises

|   |              |              |
|---|--------------|--------------|
| Cost at the beginning of the year             | 1.402        | 1.402        |
| <b>Cost at the end of the year</b>            | <b>1.402</b> | <b>1.402</b> |
| <b>Carrying amount at the end of the year</b> | <b>1.402</b> | <b>1.402</b> |

### 9. Disclosure in long-term investments in group enterprises and associates

#### Group enterprises

| Name                                  | Registered office  | Share held in % | Equity       | Profit        |
|---------------------------------------|--------------------|-----------------|--------------|---------------|
| FremantleMedia Sverige AB (TSEK) 2015 | Stockholm, Sverige | 100,00          | 9.416        | -1.799        |
|                                       |                    |                 | <b>9.416</b> | <b>-1.799</b> |

### 10. Contract work in progress

|  |                |                |
|--|----------------|----------------|
| Sales value of work                        | 21.687         | 24.687         |
| Progress billings on contracts in progress | -42.761        | -45.160        |
| <b>Net value of contract work</b>          | <b>-21.074</b> | <b>-20.473</b> |

Progress billings are divided as follows in the balance sheet:

|                 |                |                |
|-----------------|----------------|----------------|
| Net receivables | 2.302          | 1.677          |
| Net liabilities | -23.376        | -22.150        |
|                 | <b>-21.074</b> | <b>-20.473</b> |

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## Notes

### 11. Current deferred tax

Deferred tax asset is attributable to temporary differences between accounting and tax depreciation of tangible assets and is expected to be offset against future taxable income of the company or in the joint taxation within a few years.

### 12. Contingent liabilities

Rental agreements and leases

Lease obligations, period of non-terminability 710 TDKK (2015: 700 TDKK)

The company is jointly taxed with the Danish companies in the Bertelsmann SE & Co. KGaA Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustments to the income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

### 13. Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

FremantleMedia Group Limited  
1, Stephen Street  
London W1T 1AL  
England

The Company is included in the Group Annual Report of RTL Group SA and ultimately in Bertelsmann SE & Co. KGaA.

The Group Annual Report of RTL Group SA may be obtained at the following address:

RTL Group SA  
45, Bd Pierre Frieden  
L-1543 Luxembourg  
Luxembourg

### 14. Related parties

Controlling interest:

Parent company  
FremantleMedia Group Limited  
1, Stephen Street  
London W1T 1AL  
England

Other related parties:

Subsidiary company  
FremantleMedia Sverige AB  
Heliosgatan 11  
120 30 Stockholm  
Sweden

Transactions:

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.