

Berlingske Media A/S

Pilestræde 34
DK-1112 Copenhagen K
CVR no. 29 20 73 13

Annual Report for 2017

Adopted at the Annual General
Meeting on 29 May 2018

Chairman

Anders Bjørn Krab-Johansen

Contents

	Page
Statements	
Statement by Management on the Annual Report	1
Independent Auditor's Report	2
Management's Review	
Company Details	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Accounting Policies	12
Income Statement 1 January - 31 December	18
Balance Sheet 31 December	19
Statement of changes in equity	21
Notes to the Financial Statements	22

Statement by Management on the Annual Report

The Executive Board and Board of Directors have today considered and approved the Annual Report of Berlingske Media 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 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 our opinion, Management's Review includes a fair and true account of the matters dealt with in the Management's Review.

We recommend the adoption of the Annual Report at the Annual General Meeting.

Copenhagen, 29 May 2018

Executive Board

Anders Bjørn Krab-Johansen
CEO

Michael Bjerregaard
CFO

Board of Directors

Connie Hedegaard
Chairman

Kim Graven-Nielsen

Celine Mirjam van Praag

Christian Van Thillo

Christophe Convent

Lars Monrad-Gylling

Marianne Ellegaard Fajstrup
Staff Representative

Katrine Gundel Harmens
Staff Representative

Mikkel Ludvigsen
Staff Representative

Independent Auditor's Report

To the Shareholder of Berlingske Media A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Berlingske Media A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("Financial Statements").

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 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 Management's Review.

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

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

Independent Auditor's Report

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 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 these Financial Statements.

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.

Independent Auditor's Report

- 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.

Hellerup, 29 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327

Company Details

The Company

Berlingske Media A/S
Pilestræde 34
DK-1112 Copenhagen K

Telephone: + 45 33 75 75 75
Website: www.berlingskemedias.dk

CVR no.: 29 20 73 13
Reporting period: 1 January - 31 December 2017
Incorporated: 31 March 1950
Financial year: 68th financial year
Domicile: Copenhagen

Board of Directors

Connie Hedegaard, Chairman
Kim Graven-Nielsen
Celine Mirjam van Praag
Christian Van Thillo
Christophe Convent
Lars Monrad-Gylling
Marianne Ellegaard Fajstrup, Staff Representative
Katrine Gundel Harmens, Staff Representative
Mikkel Ludvigsen, Staff Representative

Executive Board

Anders Bjørn Krab-Johansen, CEO
Michael Bjerregaard, CFO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	<u>2017</u> TDKK	<u>2016</u> TDKK	<u>2015</u> TDKK	<u>2014</u> TDKK	<u>2013</u> TDKK
Key figures					
Revenue	535.611	911.054	942.664	1.046.806	1.230.448
Gross profit	369.549	442.741	510.834	521.600	730.496
Net financials	5.106	3.659	5.042	6.641	9.079
Profit/loss for the year	13.073	23.080	-37.872	72.994	198.770
Balance sheet					
Balance sheet total	1.232.487	1.292.799	1.354.545	1.431.248	1.464.830
Investment in property, plant and equipment	1.098	10.897	5.051	7.530	4.807
Equity	658.025	586.951	563.871	601.743	603.749
Number of employees	511	715	756	766	876
Financial ratios					
Gross margin	69,0%	48,6%	54,2%	49,8%	59,4%
Profit margin	6,8%	-0,1%	-5,1%	4,0%	12,5%
Return on assets	2,9%	-0,1%	-3,5%	3,0%	10,5%
Solvency ratio	53,4%	45,4%	41,6%	42,0%	41,2%
Return on equity	2,1%	4,0%	-6,5%	12,1%	39,4%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's Review

Business activities

Berlingske Media owns the four major Danish news brands Berlingske, BT, Metroxpress and Weekendavisen. Further, Berlingske Media owns the national radio station Radio24syv, Denmark's largest deal site Sweetdeal and the advertising agency Marketsquare.

Berlingske Media also owns Trykkompagniet (print company) and shares of Infomedia (news surveillance), Bornholms Tidende (newspaper), Pop FM (radio station), and Bladkompagniet (distribution company).

Development during the year

The income statement shows a profit of TDKK 13,073 in 2017 compared to a profit of TDKK 23,080 in 2016. Equity as per end of year 2017 is TDKK 658,025 compared to TDKK 586,951 end of year 2016.

Revenue shows a total of TDKK 535,611 in 2017 compared to TDKK 911,054 in 2016. The decline in revenue mainly stems from the formation of BTMX P/S as per 1 January 2017. Consequently, revenue regarding BT for 2017 is included in the Annual report for BTMX P/S.

The profit for the year was negatively affected by net one-off costs in connection with the restructuring of the business. The one-off costs of mDKK 53 comprise redundancy costs and profit from sale of the Scanpix activities. Dissolution of the Danish strike fund for Danish printed media has affected profit for the year positively by mDKK 29.1.

Taking the net one-off costs of mDKK 23.9 into consideration, the result for the year is in line with expectations.

Activities and changes during the year

As a result of the merger of the two news brands BT and Metroxpress, the company BTMX P/S was founded in January 2017. The company is owned by Berlingske Media (70%) and the Swiss media company Tamedia (30%).

Berlingske Media's IT was insourced. In January 2017, a process was initiated to move all IT systems from external company HCL to De Persgroep.

Because of excess capacity, the printing facility in Avedøre was closed in March 2017. Production was moved to the printing house Trykkompagniet in Slagelse.

In November 2017, the two advertising departments in Berlingske Media and BTMX merged into one joint department serving both companies.

The ownership of Weekendavisen was restructured and is now directly owned by Berlingske Media A/S.

Management's Review

Management Team

In June 2017, Berlingske Media announced that Anders Krab-Johansen would be the company's new CEO and Publisher as per 1 December 2017. Mette Maix resigned by the end of July and until December, Frits Campagne was interim CEO.

Also in June 2017, Mette Østergaard was announced as new Editor in Chief of Berlingske, joining Tom Jensen as per 1 January 2018.

In November 2017, Kenneth Madsen was appointed Director of the joint advertising department for Berlingske Media and BTMX.

In November 2017, CEO Thomas Raun left BTMX, and Anders Krab-Johansen took over in December, now serving as CEO of both BTMX and Berlingske Media.

In February 2018, CFO Dennis Kilian resigned, and Michael Bjerregaard was appointed new CFO.

Future market development expectations

A continued growth in overall advertising volume in 2018/2019 is expected. The structural change in the media market, where digital media is growing, will continue.

The digital spending now accounts for more than half of the media spending in Denmark, and in 2018/19, the digital media is expected to increase its share further. The growth is strongest on mobile, but is seen in all digital channels such as streaming/web-TV, keyword advertising, etc.

The digital news consumption has grown significantly in recent years, especially on mobile.

The number of Danes accessing news via smartphone has overtaken those using computers for the first time, and a continuous increase in time spent on mobile is expected.

The use of social media for news has been growing rapidly in recent years, but seems to have stagnated in Denmark. Especially the youngsters receive daily news from several digital sources, news sites, news apps and social media. The use of podcasts is growing, and 15 pct. of the Danes use podcasts weekly, and the positive trend is expected to continue.

Last year, 10 pct. of the Danes subscribed to online news, and since the introduction of freemium models, there has been a steady increase in daily logged in users. However, the potential for paid online editorial content and more logged in users is significant.

Management's Review

Non-financial conditions

Intellectual capital resources

Changes in the media business create an ongoing need for the development of skills and strong leadership skills. In 2017, Berlingske Media has continued its leadership training, within the framework of Berlingske Academy.

External environment

In terms of production, the company emphasizes to 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 consumables and waste products to nature in connection with the company's production.

Through industry associations, we contribute to the development of printing methods, which reduce environmental impact. Paper is procured jointly with other media companies, which ensures an environmentally friendly green paper production and replanting of trees (FSC approved). Unsold newspapers are recycled.

Statement on corporate social responsibility

Berlingske Media complies with current rules and legislation on the markets in which it operates. The company has not established policies for compliance with corporate social responsibility, cf. Danish Financial Statements Act § 99, as it has not been considered necessary. This is based on the nature of the products and their contribution to news distribution, debate and media pluralism in the Danish society. Therefore, the review contains no information on which standards are followed, how it translates them into action and an assessment of what has been achieved and the expectations for future work.

Although, the company does not have an established policy on social responsibility, human rights and the reduction of climate impacts, Berlingske Media continues to keep focus on these areas which are expressed in independent policies on anti-corruption, anti-bribery and procurement.

Gender balance in management

Berlingske Media set a target in 2013 for gender balance of the company's board of directors. The aim is that the underrepresented gender is never lower than one third (33%) of the general meeting elected members.

Our objective is achieved in March 2018 where Connie Hedegaard has been elected as chairman of the Board of directors. Berlingske Media has now two female members out of a total of six board members (33%) excluding staff representatives.

Management's Review

Berlingske Media commits to working for equal career opportunities for all employees regardless of gender. In recruiting, training programs etc., Berlingske Media will therefore always let talent, skills and qualifications decide who is employed in various positions.

According to Berlingske Media's policies on gender balance, 40% of the staff should be female.

In 2017, 39% of the staff was female, which is the same as in 2016.

For management and specialists 37% was female, which is 4%-points higher than in 2016 (33%).

Subsequent events

We refer to note 21 in the Financial Statements.

Except for this, no other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Expectations for the year ahead

In December 2017, new CEO Anders Krab-Johansen initiated a strategy process including all Berlingske Media's news brands and Sweetdeal. The strategic plans were announced in February 2018 at a town hall meeting for all employees. The event took place at Papirhallen, Copenhagen and was subject to intense public attention.

Berlingske Media's current strategy plan has a three-year horizon. In 2020, the goal is to be substantially more digital in everything from product portfolio, user experience, revenue, workflow and organization.

A unified management will support our digital transformation. BT and Metroxpress will relaunch as one brand under the name BT and create a powerhouse for free news, sports and entertainment for mobile. Metroxpress will be renamed BT metro and secure our position as the country's most read newspaper. Advertising sales on mobile is growing, and we should be leading the way in this field.

Web subscriptions have taken off and we will follow other great Nordic news brands in creating a successful digitally oriented business model for our quality newspapers Berlingske and our weekly paper Weekendavisen.

Berlingske Media's 2020-strategy presented in February 2018 includes a restructuring. The consequence is that 93 employees will leave the company. One-off costs are therefore expected in 2018.

Management's Review

In 2018, Berlingske Media will focus on the core business - our media brands - so that we continue to be Greater Copenhagen's leading media company providing news and growing a healthy business.

Accounting Policies

The Annual Report of Berlingske Media A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The Annual Report for 2017 is presented in TDKK.

The subsidiaries Grenaa Bladet A/S and Uge-Bladet Skanderborg af 1999 A/S have been merged into Berlingske Media A/S with effect as of 1 January 2017. Comparative figures have been adjusted due to the merger. In addition some reclassifications have been made in the income statement.

Consolidated financial statements

Pursuant to sections §112, of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements, as the Company and its subsidiaries is included in the consolidated financial statements of De Persgroep NV.

Basis of recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Accounting Policies

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases that is not classified as financial leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as reporting and functional currency as most of the Company's transactions are in DKK. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Segment information on revenue

With reference to section 96(1) of the Danish Financial Statements Act, the Company has not disclosed segment information on revenue, as it is assessed that the information will lead to material competitive disadvantages.

Revenue

Revenue from the sale of goods and services is recognised when the risks and rewards relating to the goods and services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Accounting Policies

Cost of goods and services sold

Costs of goods and services sold comprise the expenses to achieve revenue for the year. Income from public subsidies, ie. "Mediestøtte" is recognized in cost of goods and services sold.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses comprise advertising, administration, rent of leasehold, provisions for bad debt, other leases etc.

Staff expenses

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

Income from investments in subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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 Mecom Denmark Holdings ApS. The tax effect of the joint taxation with the group enterprises is allocated to Danish group enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible assets

Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Software are amortised on a straight-line basis over the useful life, which is assessed at 2-7 years.

Accounting Policies

Acquired publishing rights are measured at the lower of cost less accumulated amortisation and recoverable amount. Publishing rights are amortised on a straight-line basis over the useful life, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

	Useful life
Other fixtures and fittings, tools and equipment	5-9 years
Leasehold improvements	5-9 years

Depreciation period and residual value are reassessed annually.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Company to cover the negative balance of the enterprise is recognised in provisions.

Accounting Policies

Other investments

Other investments are measured at the lower of cost and recoverable amount.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Accounting Policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax liabilities and assets

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Deferred revenue

Deferred revenue comprises payments received in respect of income in subsequent years, primary prepaid subscriptions.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as the cash flow statement is included in the consolidated financial statements of De Persgroep NV.

Financial Highlights

Definitions of financial ratios.

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

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
Revenue		535.611	911.054
Other operating income		195.465	81.242
Cost of goods and services sold		-165.313	-292.534
Other external expenses		<u>-196.214</u>	<u>-257.021</u>
Gross profit		369.549	442.741
Staff expenses	1	-309.714	-417.718
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>-23.515</u>	<u>-26.086</u>
Profit/loss before financial income and expenses		36.320	-1.063
Income from investments in subsidiaries	3	-30.329	24.267
Income from investments in associates	4	1.976	-3.783
Financial income	5	5.786	4.619
Financial expenses	6	<u>-680</u>	<u>-960</u>
Profit/loss before tax		13.073	23.080
Tax on profit/loss for the year	7	<u>0</u>	<u>0</u>
Net profit/loss for the year		<u>13.073</u>	<u>23.080</u>
Distribution of profit	8		
Special items	9		

Balance Sheet 31 December

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
Assets			
Software		14.427	15.899
IT Software in progress		6.237	9.280
Trademark		2.252	0
Intangible assets	10	<u>22.916</u>	<u>25.179</u>
Other fixtures and fittings, tools and equipment		8.452	15.149
Leasehold improvements		3.036	8.837
Property, plant and equipment	11	<u>11.488</u>	<u>23.986</u>
Investments in subsidiaries	12	290.210	249.477
Investments in associates	13	15.195	13.219
Receivables from group enterprises	14	19.367	41.682
Other fixed asset investments	14	4.691	4.691
Deposits	14	12.632	13.024
Fixed asset investments		<u>342.095</u>	<u>322.093</u>
Fixed assets total		<u>376.499</u>	<u>371.258</u>
Trade receivables	15	11.400	26.891
Receivables from group enterprises		697.692	710.695
Other receivables		22.103	22.075
Deferred tax asset	17	81.093	81.093
Prepayments		3.804	15.693
Receivables		<u>816.092</u>	<u>856.447</u>
Cash at bank and in hand		<u>39.896</u>	<u>65.094</u>
Current assets total		<u>855.988</u>	<u>921.541</u>
Assets total		<u>1.232.487</u>	<u>1.292.799</u>

Balance Sheet 31 December

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
Liabilities and equity			
Share capital		216.567	216.567
Retained earnings		441.458	370.384
Equity	16	<u>658.025</u>	<u>586.951</u>
Provisions relating to investments in group entities	12	8.744	7.849
Other provisions	18	9.874	20.010
Provisions total		<u>18.618</u>	<u>27.859</u>
Other payables		4.026	4.164
Long-term debt	19	<u>4.026</u>	<u>4.164</u>
Trade payables		66.007	113.101
Payables to group enterprises		252.266	251.297
Other payables	19	118.755	153.009
Deferred revenue		114.790	156.418
Short-term debt		<u>551.818</u>	<u>673.825</u>
Debt total		<u>555.844</u>	<u>677.989</u>
Liabilities and equity total		<u>1.232.487</u>	<u>1.292.799</u>
Discontinued operations	20		
Subsequent events	21		
Rental agreements and lease commitments	22		
Contingent assets, liabilities and other financial obligations	23		
Related parties and group relation	24		
Fee to auditors appointed at the general meeting	25		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u>
	TDKK	TDKK	TDKK
Equity at 1 January 2017	216.567	370.384	586.951
Gain on business transferred to subsidiary	0	58.001	58.001
Net profit/loss for the year	0	13.073	13.073
Equity at 31 December 2017	<u>216.567</u>	<u>441.458</u>	<u>658.025</u>

Notes to the Financial Statements

	<u>2017</u> TDKK	<u>2016</u> TDKK
1 Staff expenses		
Wages and salaries	289.298	391.496
Pensions	16.065	20.162
Other social security costs	4.351	6.060
Staff expenses total	<u>309.714</u>	<u>417.718</u>
Executive Board	5.828	13.739
Board of Directors	144	144
	<u>5.972</u>	<u>13.883</u>
Average number of employees	<u>511</u>	<u>715</u>
Remuneration to the executive board comprise of 3 members in 2017 (2016: 2).		
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	13.361	10.415
Depreciation of property, plant and equipment	10.154	15.671
	<u>23.515</u>	<u>26.086</u>
3 Income from investments in subsidiaries		
Net profit/loss for the year, cf. note 12	-28.358	21.479
Amortisation of net goodwill/badwill, cf. note 12	-1.971	2.788
	<u>-30.329</u>	<u>24.267</u>

Notes to the Financial Statements

	<u>2017</u> TDKK	<u>2016</u> TDKK
4 Income from investments in associates		
Net profit/loss for the year, cf. note 13	1.976	-3.783
	<u>1.976</u>	<u>-3.783</u>
5 Financial income		
Interest received from group enterprises	4.073	4.564
Other financial income	1.713	55
	<u>5.786</u>	<u>4.619</u>
6 Financial expenses		
Interest paid to group enterprises	40	111
Other financial expenses	640	849
	<u>680</u>	<u>960</u>
7 Tax on profit/loss for the year		
Current tax for the year	0	0
	<u>0</u>	<u>0</u>
8 Distribution of profit		
Retained earnings	13.073	23.080
	<u>13.073</u>	<u>23.080</u>

Notes to the Financial Statements

9 Special items

The profit for the year has been negatively affected by net one-off costs in connection with the restructuring of the business. The one-off costs comprise redundancy costs and gain of sale of the Scanpix activities amounting to net costs of DKK 53 million. The net costs are included in line items "Other operating income", "Staff expenses", "Other external expenses" and "Income from investments".

Dissolving of the Danish strike fund for Danish printed media has affected the profit for the year positively by DKK 29.1 million. The income is included in line item "Other operating income".

10 Intangible assets

	Software	IT Software in progress	Trademark
	TDKK	TDKK	TDKK
Cost at 1 January 2017	219.275	9.280	0
Additions for the year	0	8.336	2.800
Disposals for the year	-30.932	0	0
Transfers for the year	11.379	-11.379	0
Cost at 31 December 2017	<u>199.722</u>	<u>6.237</u>	<u>2.800</u>
Impairment losses and amortisation at 1 January 2017	203.376	0	0
Amortisation for the year	12.814	0	548
Reversal of amortisation of disposals for the year	-30.895	0	0
Impairment losses and amortisation at 31 December 2017	<u>185.295</u>	<u>0</u>	<u>548</u>
Carrying amount at 31 December 2017	<u>14.427</u>	<u>6.237</u>	<u>2.252</u>

Notes to the Financial Statements

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	<u>TDKK</u>	<u>TDKK</u>
Cost at 1 January 2017	63.827	76.585
Additions for the year	596	502
Disposals for the year	-36.747	0
Cost at 31 December 2017	<u>27.676</u>	<u>77.087</u>
Impairment losses and depreciation at 1 January 2017	48.678	67.747
Depreciation for the year	3.852	6.304
Reversal of depreciations of sold assets	-33.306	0
Impairment losses and depreciation at 31 December 2017	<u>19.224</u>	<u>74.051</u>
Carrying amount at 31 December 2017	<u>8.452</u>	<u>3.036</u>

Notes to the Financial Statements

	<u>2017</u> TDKK	<u>2016</u> TDKK
12 Investments in subsidiaries		
Cost at 1 January	686.924	705.740
Merger 1 January 2017	0	-18.816
Additions for the year	<u>70.962</u>	<u>0</u>
Cost at 31 December	<u>757.886</u>	<u>686.924</u>
Revaluations at 1 January	-437.447	-437.082
Merger 1 January 2017	0	35.842
Net profit for the year	-28.358	21.479
Received dividend	-795	-46.658
Other adjustments	0	4.759
Amortisation of goodwill	-1.971	-1.971
Equity investments with negative net asset value amortised over receivables	0	-21.665
Equity investments with negative net asset value transferred to provisions, 1 January	-7.849	0
Equity investments with negative net asset value transferred to provisions, 31 December	<u>8.744</u>	<u>7.849</u>
Revaluations at 31 December	<u>-467.676</u>	<u>-437.447</u>
Carrying amount at 31 December	<u>290.210</u>	<u>249.477</u>
Remaining goodwill included in the above carrying amount at 31 December	<u>17.451</u>	<u>19.422</u>

Argumentation for Goodwill depreciation periods

The Company's investment in the subsidiary Marketsquare A/S is as a strategic important acquisition. Taking into account, the plans to increase activities and profit, the economic life of goodwill is determined to 20 years, of which 10 years are remaining.

Notes to the Financial Statements

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Ownership</u>
Trykkompagniet A/S	Hvidovre	100%
Berlingske af 2007 A/S	Copenhagen	100%
Marketsquare A/S	Copenhagen	100%
Weekendavisen A/S	Copenhagen	100%
MOL Holding A/S	Copenhagen	88%
Berlingske Netdoktor A/S	Copenhagen	80%
Berlingske People A/S	Copenhagen	70%
BTMX P/S	Copenhagen	70%
BTMX General Partner ApS	Copenhagen	70%
FM6 A/S	Copenhagen	60%

Notes to the Financial Statements

	<u>2017</u> TDKK	<u>2016</u> TDKK
13 Investments in associates		
Cost at 1 January	16.041	1.041
Additions for the year	<u>0</u>	<u>15.000</u>
Cost at 31 December	<u>16.041</u>	<u>16.041</u>
Revaluations at 1 January	-2.822	961
Net profit/loss for the year	<u>1.976</u>	<u>-3.783</u>
Revaluations at 31 December	<u>-846</u>	<u>-2.822</u>
Carrying amount at 31 December	<u>15.195</u>	<u>13.219</u>

Investments in associates are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Ownership</u>
A/S Bladkompagniet	Copenhagen	50%

Notes to the Financial Statements

14 Fixed asset investments

	Receivables from group enterprises	Other investments	Deposits
	TDKK	TDKK	TDKK
Cost at 1 January 2017	41.682	11.323	13.024
Repayment	-22.315	0	-392
Cost at 31 December 2017	<u>19.367</u>	<u>11.323</u>	<u>12.632</u>
Impairment losses at 1 January 2017	<u>0</u>	<u>6.632</u>	<u>0</u>
Impairment losses at 31 December 2017	<u>0</u>	<u>6.632</u>	<u>0</u>
Carrying amount at 31 December 2017	<u>19.367</u>	<u>4.691</u>	<u>12.632</u>

15 Receivables

The Company is handling invoicing and collecting of trade receivables for all group companies, why the financial statement line "Trade receivables", besides the Company's own receivables, also contains receivables to be received on behalf of other group companies.

16 Equity

The share capital consists of:

108.283 A-shares of TDKK 1	108.283
1 A-shares of TDKK 0,5	0,5
108.283 B-shares of TDKK 1	108.283
1 B-shares of TDKK 0,5	<u>0,5</u>
	<u>216.567</u>

There have been no changes in the share capital during the last 5 years.
The share classes does not hold any special rights.

Notes to the Financial Statements

17 Provision for deferred tax

Total deferred tax asset is estimated at approximately DKK 189,1 million (calculated at a tax rate of 22 pct.) and is unchanged compared to last year. Of the total deferred tax asset, DKK 81 million has been recognised as of 31 December 2017.

Management has recognised the tax asset based on budgets for the coming 5 years and assessed it to be probable that the deferred tax asset can be utilized within the Danish joint taxation Group.

	<u>2017</u> TDKK	<u>2016</u> TDKK
18 Other provisions		
Provision for restoration of leasehold	9.874	9.975
Provision for redundancy cost	<u>0</u>	<u>10.035</u>
Balance at 31 December	<u>9.874</u>	<u>20.010</u>

The provision is expected to mature as follows:

Within one year	0	10.035
Between 1 and 5 years	<u>9.874</u>	<u>9.975</u>
	<u>9.874</u>	<u>20.010</u>

19 Long term debt

Other payables

Between 1 and 5 years	<u>4.026</u>	<u>4.164</u>
Non-current part	4.026	4.164
Within 1 year	<u>118.755</u>	<u>153.009</u>
	<u>122.781</u>	<u>157.173</u>

Notes to the Financial Statements

20 Discontinued operations

In January 2017, it was agreed to carve out the BT activity, and contribute the net liabilities to BTMX P/S, of which Berlingske Media A/S owns 70 pct.

Key figures for 2016 for the carved out BT business are as follows: Net Revenue: DKK 330 million; EBITDA: DKK 15 million; Net Liabilities DKK 60 million.

21 Subsequent events

As mentioned in the Management's Review, a new strategic plan for Berlingske Media has been launched in February 2018. In 2020, the goal is to be substantially more digital in everything from product portfolio, user experience, revenue, work flow and organization. Due to implementation of the new strategic plan material one-off costs are expected in 2018.

Expect for this, no other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

22 Rental agreements and lease commitments

Rental and lease commitments

Operating lease commitments.

Total future lease payments:

	<u>2017</u> TDKK	<u>2016</u> TDKK
Within 1 year	31.680	30.808
Between 1 and 5 years	<u>63.164</u>	<u>88.182</u>
	<u>94.844</u>	<u>118.990</u>

Contractual obligations

Contractual obligations to service providers	0	7.705
--	---	-------

Notes to the Financial Statements

23 Contingent assets, liabilities and other financial obligations

Contingent liabilities

There is a risk that the Company will be met with claims for trading of unauthorized advertising in relation to some advertisers.

Berlingske Media A/S has issued letters of support for some of the subsidiaries. Berlingske Media A/S has in this respect guaranteed to support the subsidiaries with sufficient liquidity to ensure future operations and investments, and for debt to be paid when due. The letters of support expires at 31 December 2018.

The Company administrate the cash-pool for the Group why cash related to other group companies has been recognised in "Receivables from group enterprises" and in "Payables to group enterprises" respectively. The Company is liable in solidarity with other group companies that are included in the cash-pool.

The Company has an obligation of joint registration of withholding tax, ATP, VAT and duties.

The Company is part of national taxation in Denmark with Mecom Denmark Holdings ApS and is jointly liable with other Danish group companies for corporate and withholding tax.

24 Related parties and group relation

Transactions

Transactions with related parties has been carried out at arm's length terms.

Consolidated Financial Statements

The Company is included in the Group Annual Report of De Persgroep NV.

The Group Annual Report of De Persgroep NV. may be obtained at the following address:

De Persgroep NV
Brusselsesteenweg 347
BE-1730 Asse (Kobbegem)
Belgium

Notes to the Financial Statements

25 Fee to auditors appointed at the general meeting

With reference to section 96(3) of the Danish Financial Statement Act, audit fees are not disclosed.