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# ***Studios A/S***

Jenagade 22, DK-2300 København S

## **Annual Report for 2016**

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CVR No 30 90 88 13

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
18/05 2017

Peter Seehausen  
Chairman



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Studios A/S for the financial year 1 January - 31 December 2016.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

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

Copenhagen, 18 May 2017

## Executive Board

Peter Seehausen  
Executive Officer

## Board of Directors

Per Robert Elfstrand  
Chairman

Mats Olov Dahlström

Peter Seehausen

# Independent Auditor's Report

To the Shareholder of Studios 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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Studios A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

## 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 judgement and maintain professional scepticism throughout the

# Independent Auditor's Report

audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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, 18 May 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Leif Ulbæk Jensen  
statsautoriseret revisor

James Liang  
statsautoriseret revisor

## **Company Information**

### **The Company**

Studios A/S  
Jenagade 22  
DK-2300 København S

Telephone: + 45 32646464  
E-mail: info@studios.dk  
Website: www.studios.dk

CVR No: 30 90 88 13  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Per Robert Elfstrand, Chairman  
Mats Olov Dahlström  
Peter Seehausen

### **Executive Board**

Peter Seehausen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Bankers**

Nordea Bank Danmark A/S

## Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
<b>Gross profit/loss</b>		<b>19,943,488</b>	<b>26,332,082</b>
Staff expenses	3	-19,745,886	-18,816,168
Depreciation property, plant and equipment		<u>-5,840,172</u>	<u>-6,407,663</u>
<b>Profit/loss before financial income and expenses</b>		<b>-5,642,570</b>	<b>1,108,251</b>
Financial income	4	187,701	62,757
Financial expenses	5	<u>-274,951</u>	<u>-288,840</u>
<b>Profit/loss before tax</b>		<b>-5,729,820</b>	<b>882,168</b>
Tax on profit/loss for the year	6	<u>1,296,753</u>	<u>-229,052</u>
<b>Net profit/loss for the year</b>		<b><u>-4,433,067</u></b>	<b><u>653,116</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>-4,433,067</u>	<u>653,116</u>
		<b><u>-4,433,067</u></b>	<b><u>653,116</u></b>

# Balance Sheet 31 December

## Assets

	Note	2016 DKK	2015 DKK
Other fixtures and fittings, tools and equipment		8,093,558	9,751,986
<b>Property, plant and equipment</b>	7	<b>8,093,558</b>	<b>9,751,986</b>
<b>Fixed assets</b>		<b>8,093,558</b>	<b>9,751,986</b>
Trade receivables		7,301,683	9,318,414
Work in progress for third parties		1,940,908	1,547,768
Receivables from group enterprises		9,281,405	15,202,631
Other receivables		635,735	330,656
Deferred tax asset		3,970,784	2,674,031
Prepayments		254,540	76,440
<b>Receivables</b>		<b>23,385,055</b>	<b>29,149,940</b>
<b>Cash at bank and in hand</b>		<b>6,559</b>	<b>24,745</b>
<b>Currents assets</b>		<b>23,391,614</b>	<b>29,174,685</b>
<b>Assets</b>		<b>31,485,172</b>	<b>38,926,671</b>



# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Share capital		600,000	600,000
Retained earnings		<u>25,181,855</u>	<u>29,614,922</u>
<b>Equity</b>		<b><u>25,781,855</u></b>	<b><u>30,214,922</u></b>
Prepayments received from customers		532,507	379,370
Trade payables		1,058,803	1,059,206
Payables to group enterprises		43,592	62,084
Corporation tax		0	2,249,725
Other payables		<u>4,068,415</u>	<u>4,961,364</u>
<b>Short-term debt</b>		<b><u>5,703,317</u></b>	<b><u>8,711,749</u></b>
<b>Debt</b>		<b><u>5,703,317</u></b>	<b><u>8,711,749</u></b>
<b>Liabilities and equity</b>		<b><u>31,485,172</u></b>	<b><u>38,926,671</u></b>
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## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	600,000	29,614,922	30,214,922
Net profit/loss for the year	0	-4,433,067	-4,433,067
<b>Equity at 31 December</b>	<b>600,000</b>	<b>25,181,855</b>	<b>25,781,855</b>

# Notes to the Financial Statements

## 1 Subsequent events

Studios A/S has been acquired by HD Resources Sweden AB from Endemol Denmark A/S with effect from 7 April 2017.

## 2 Main activity

The company mainly leases out facilities and equipment for film, advertising and television production as well as technical production and installation.

	<u>2016</u> DKK	<u>2015</u> DKK
<b>3 Staff expenses</b>		
Wages and salaries	19,203,668	18,143,229
Other social security expenses	158,440	107,108
Other staff expenses	<u>383,778</u>	<u>565,831</u>
	<b><u>19,745,886</u></b>	<b><u>18,816,168</u></b>
<b>Average number of employees</b>	<u><b>37</b></u>	<u><b>33</b></u>
<b>4 Financial income</b>		
Exchange adjustments	<u>187,701</u>	<u>62,757</u>
	<b><u>187,701</u></b>	<b><u>62,757</u></b>
<b>5 Financial expenses</b>		
Other financial expenses	67,963	84,554
Exchange adjustments, expenses	<u>206,988</u>	<u>204,286</u>
	<b><u>274,951</u></b>	<b><u>288,840</u></b>

## Notes to the Financial Statements

	2016 DKK	2015 DKK
<b>6 Tax on profit/loss for the year</b>		
Current tax for the year	0	533,148
Deferred tax for the year	-1,296,753	-304,096
	<u>-1,296,753</u>	<u>229,052</u>
 <b>7 Property, plant and equipment</b>		
		Other fixtures and fittings, tools and equipment DKK
Cost at 1 January		66,530,868
Additions for the year		4,258,110
Disposals for the year		-5,248,542
Cost at 31 December		<u>65,540,436</u>
Impairment losses and depreciation at 1 January		56,778,882
Depreciation for the year		5,840,172
Depreciation of sold assets for the year		-5,172,176
Impairment losses and depreciation at 31 December		<u>57,446,878</u>
<b>Carrying amount at 31 December</b>		<u><b>8,093,558</b></u>
Depreciated over		<u>2-8 years</u>

# Notes to the Financial Statements

## 8 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The Company is jointly taxed with Endemol Denmark A/S, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes for the income year 2014 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

The Company's lease at Jenagade 22 is interminable until 1 December 2017. Throughout the period of interminability, the lease liability amounts to tDKK 5,885.

As security for deposits in connection with the rental agreement, a bank guarantee of tDKK 1,387 has been provided.

The Company participates in the Endemol Shine group's cash pool arrangement and is jointly and severally liable together with the other group entities. The Company's receivable within the cashpool at the balance sheet date amounts to DKK 6.3 mio. (2015: 13.2 mio), which is carried under intra-group balances.

# Notes to the Financial Statements

## 9 Related parties

### 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:

Endemol Denmark A/S

### Consolidated Financial Statements

The company is included in the consolidated statement of the parent company

Name	Place of registered office
MediArena Acquisition B.V.	Netherlands

The Group Annual Report of MediArena Acquisition B.V. may be obtained at the following address:

De Boelelaan 7  
Amsterdam  
NL-1083 HJ  
Netherlands

## **Notes, Accounting Policies**

### **Basis of Preparation**

The Annual Report of Studios A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in DKK.

### **Recognition and measurement**

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, 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.

### **Translation policies**

Danish kroner is used as the presentation currency. 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.

# Notes, Accounting Policies

## Income Statement

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the 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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service 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. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

### Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Staff expenses

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.



## **Notes, Accounting Policies**

### **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 property, plant and equipment.

### **Financial income and expenses**

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

### **Extraordinary income and expenses**

Extraordinary income and expenses comprise income and expenses resulting from events or transactions which clearly differ from ordinary activities and which are not expected to be of a recurring nature.

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

Tax for the year consists of current tax for the year and changes in 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.

The Company is jointly taxed with wholly owned Danish group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### **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.

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:

Other fixtures and fittings, tools and equipment      2-8      years

Depreciation period and residual value are reassessed annually.

### **Impairment of fixed assets**

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

## **Notes, Accounting Policies**

If so, the asset is written down to its lower recoverable amount.

### **Receivables**

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

### **Work in progress for third parties**

Work in progress for third parties regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. 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.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

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

### **Prepayments**

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

### **Deferred tax assets and liabilities**

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 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.

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.

## **Notes, Accounting Policies**

### **Current tax receivables and liabilities**

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.