

EPG Systems ApS
Gammeltorv 8, 2.
1457 København K
Denmark

EPG Systems ApS
Annual report 2015

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

on _____ 20 ____

chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Accounting policies	7
Income statement	11
Balance sheet	12
Notes	14

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of EPG Systems ApS for the financial year 1 January – 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 27 July 2016

Executive Board:

Morten Trolle

Board of Directors:

Salvador Kurt Karottki
Chairman

Edward Peter Lazarus

John Bernard Rodden



Independent auditor's report

To the shareholder of EPG Systems ApS

Independent auditor's report on the financial statements

We have audited the financial statements of EPG Systems ApS for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Report on other legal and regulatory requirements

Emphasis of matter regarding other matters

The annual report for 2015 has been submitted after the deadline stipulated in the Danish Financial Statements Act. The Company's Management may be held liable in this respect.



Independent auditor's report

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 27 July 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR. no.: 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant

Management's review

Company details

EPG Systems ApS
Gammeltorv 8, 2.
1457 København K
Denmark

CVR no.: 33 16 01 43
Established: 13 September 2010
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Salvador Kurt Karottki, Chairman
Edward Peter Lazarus
John Bernard Rodden

Executive Board

Morten Trolle

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Consolidated financial statements

The Company is included in the consolidated financial statements of Tribune Media Services, LLC, 435 N.

The consolidated financial statements of Tribune Media Services LLC may be obtained at the following address:

Michigan Avenue, suite 1300
Chicago, IL 60611
USA

Management's review

Operating review

Principal activities

As in previous years, the Company's activity has primarily consisted of collecting and distributing TV plans from more than 1,000 Scandinavian television channels as well as operation of the website TimeFor.TV. The Company's customers consist of amongst others online TV Guides and TV providers.

Development in activities and financial position

Profit for the year amounts to DKK 878 thousand (2014: DKK 850 thousand), and equity amounts to DKK 1,342 thousand (2014: DKK 464 thousand).

Events after the balance sheet date

No events have occurred after the balance sheet date that could influence the evaluation of this annual report.

Financial statements 1 January – 31 December

Accounting policies

The annual report of EPG Systems ApS for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

Foreign currency translation

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

Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised excl. VAT, duties and sales discounts and is measured at the fair value of the agreed consideration.

Staff costs

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

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

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

Financial statements 1 January – 31 December

Accounting policies

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

Goodwill

Goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised on a straight-line basis over the remaining life of the goodwill. The estimated useful life is 5 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, energy consumption, staff and depreciation of machinery used.

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

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

Fixtures and fittings, tools and equipment 3-5 years

Financial statements 1 January – 31 December

Accounting policies

Investments

Other receivables and deposits are recognised at amortised cost.

Impairment of non-current assets

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

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

Receivables

Receivables are measured at amortised cost.

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

Prepayments

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

Cash and cash equivalents

Cash comprises bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Financial statements 1 January – 31 December

Accounting policies

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Current tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Other financial liabilities

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

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2015	2014
Gross profit		8,302	7,348
Staff costs	1	-6,882	-6,060
Administrative expenses		-269	-192
Operating profit		1,151	1,096
Other financial income		144	1
Other financial expenses		-132	-103
Profit before tax		1,163	994
Tax on profit for the year	2	-285	-144
Profit for the year		878	850
Proposed profit appropriation			
Retained earnings		878	850
		878	850

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets			
Goodwill		30	55
	3	30	55
Property, plant and equipment			
Fixtures and fittings, tools and equipment		587	791
	3	587	791
Investments			
Deposits		206	206
		206	206
Total non-current assets		823	1,052
Current assets			
Receivables			
Trade receivables		356	454
Receivables from group entities		1,938	0
Prepayments		29	29
		2,323	483
Cash at bank and in hand		173	892
Total current assets		2,496	1,375
TOTAL ASSETS		3,319	2,427

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Share capital		160	160
Retained earnings		1,182	304
Total equity	4	<u>1,342</u>	<u>464</u>
Liabilities			
Current liabilities			
Trade payables		22	42
Payables to group entities		0	179
Corporation tax		285	144
Other payables		1,670	1,598
Total liabilities		<u>1,977</u>	<u>1,963</u>
TOTAL EQUITY AND LIABILITIES		<u>3,319</u>	<u>2,427</u>
Contractual obligations, contingencies, etc.	5		

Financial statements 1 January – 31 December

Notes

DKK'000	2015	2014	
1 Staff costs			
Wages and salaries	6,756	5,948	
Other social security costs	126	112	
	<u>6,882</u>	<u>6,060</u>	
2 Tax on profit for the year			
Current tax	285	144	
Change in deferred tax	0	0	
	<u>285</u>	<u>144</u>	
3 Intangible assets and property, plant and equipment			
DKK'000	Goodwill	Fixtures, fittings, tools and equipment	
Cost at 1 January 2015	245	1,094	
Additions	0	40	
Cost at 31 December 2015	<u>245</u>	<u>1,134</u>	
Amortisation, depreciation and impairment losses at 1 January 2015	190	303	
Amortisation and depreciation	25	244	
Amortisation, depreciation and impairment losses at 31 December 2015	<u>215</u>	<u>547</u>	
Carrying amount at 31 December 2015	<u><u>30</u></u>	<u><u>587</u></u>	
4 Equity	Share capital	Retained earnings	Total
Balance at 1 January 2015	160	304	464
Profit for the year	0	878	878
Balance at 31 December 2015	<u>160</u>	<u>1,182</u>	<u>1,342</u>

All shares rank equally.

Financial statements 1 January – 31 December

Notes

5 Contractual obligations, contingencies, etc.

Lease obligations

The Company has entered into a rental agreement with payments totalling DKK 205 thousand until expiry (2014: DKK 205 thousand).