
Endemol Denmark A/S

Jenagade 22, DK-2300 København S

Annual Report for 1 January - 31 December 2015

CVR No 33 25 47 76

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/6 2016

Bertil Rosenlund
Chairman



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Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report on the Financial Statements	2
Company Information	
Company Information	4
Management's Review	5
Financial Statements	
Income Statement 1 January - 31 December	6
Balance Sheet 31 December	7
Statement of Changes in Equity	9
Notes to the Financial Statements	10
Accounting Policies	13

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Endemol Denmark A/S for the financial year 1 January - 31 December 2015.

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 2015 of the Company and of the results of the Company operations for 2015.

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

Copenhagen, 29 June 2016

Direktion

Bertil Rosenlund
CEO

Bestyrelse

Ingrid Victoria Louise Kjellberg
Chairman

Bertil Rosenlund

Kent Nikolajsen

Independent Auditor's Report on the Financial Statements

To the Shareholder of Endemol Denmark A/S

Report on the Financial Statements

We have audited the Financial Statements of Endemol Denmark A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 as 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 29 June 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Leif Ulbæk Jensen

statsautoriseret revisor

Company Information

The Company

Endemol Denmark A/S
Jenagade 22
DK-2300 København S

CVR No: 33 25 47 76
Financial period: 1 January - 31 December
Incorporated: 28 October 2010
Municipality of reg. office: Copenhagen

Board of Directors

Ingrid Victoria Louise Kjellberg, Chairman
Bertil Rosenlund
Kent Nikolajsen

Executive Board

Bertil Rosenlund

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Main activity

Until the beginning of 2015 the company ran business in the form of development and production of content for TV and other platforms, as well as sales of formats and finished broadcasts internationally.

As a result of the Joint Venture between Endemol-Group and Shine-Group in 2014 a restructuring of the Nordic companies was implemented at the end of 2015. Up to this restructuring the company ended its TV production activity and is now owner of 100% of the shares in Metronome Productions A/S and Studios A/S.

Development in the year

The income statement of the company for 2015 shows a loss of DKK 11,530,767, and at 31 December 2015 the balance sheet of the company shows equity of DKK 40,277,621.

The income statement is affected by the decision to end TV production activities.

Share Capital

As part of the restructuring the shareholders increased the share capital with nominally DKK 14.175.000 as a cash contribution and an unconditional shareholder's contribution of EUR 6.300.000.

From EndemolShine Nordics AB the company has received a Letter of Financial Support. EndemolShine Nordics AB will support the company financially to settle its financial obligations in case of it becomes necessary. The Letter of Financial Support applies until January 2017.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Gross profit/loss		-10.802.226	23.818.711
Staff expenses	2	-3.224.189	-30.550.552
Depreciation and impairment of property, plant and equipment		<u>0</u>	<u>-42.809</u>
Profit/loss before financial income and expenses		-14.026.415	-6.774.650
Financial income		37.164	0
Financial expenses	3	<u>-992.932</u>	<u>-68.027</u>
Profit/loss before tax		-14.982.183	-6.842.677
Tax on profit/loss for the year	4	<u>3.451.416</u>	<u>-3.058</u>
Net profit/loss for the year		<u>-11.530.767</u>	<u>-6.845.735</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-11.530.767</u>	<u>-6.845.735</u>
		<u>-11.530.767</u>	<u>-6.845.735</u>

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Other fixtures and fittings, tools and equipment		0	41.504
Property, plant and equipment	5	0	41.504
Investments in subsidiaries	6	136.527.150	0
Deposits	7	0	294.000
Fixed asset investments		136.527.150	294.000
Fixed assets		136.527.150	335.504
Trade receivables		375.000	4.577.990
Deferred tax asset		3.451.416	0
Corporation tax		8.000	0
Prepayments		0	209.812
Receivables		3.834.416	4.787.802
Cash at bank and in hand		516.770	2.511.341
Currents assets		4.351.186	7.299.143
Assets		140.878.336	7.634.647

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		14.675.000	500.000
Retained earnings		<u>25.602.621</u>	<u>-6.792.752</u>
Equity	8	<u>40.277.621</u>	<u>-6.292.752</u>
Trade payables		1.690	421.693
Payables to group enterprises		100.346.336	10.663.284
Other payables		<u>252.689</u>	<u>2.842.422</u>
Short-term debt		<u>100.600.715</u>	<u>13.927.399</u>
Debt		<u>100.600.715</u>	<u>13.927.399</u>
Liabilities and equity		<u>140.878.336</u>	<u>7.634.647</u>
Going concern	1		
Related parties and ownership	9		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	500.000	-6.792.762	-6.292.762
Cash capital increase	14.175.000	0	14.175.000
Group contribution in kind	0	43.926.150	43.926.150
Net profit/loss for the year	0	-11.530.767	-11.530.767
Equity at 31 December	<u>14.675.000</u>	<u>25.602.621</u>	<u>40.277.621</u>

Notes to the Financial Statements

1 Going concern

EndemolShine Nordics AB has in a letter of support to Endemol Denmark A/S declared that it will provide support the company, so that the company is able to continue as a going concern and pay its debts until 31. December 2016.

	<u>2015</u> DKK	<u>2014</u> DKK
2 Staff expenses		
Wages and salaries	2.757.201	29.092.675
Pensions	267.023	1.008.016
Other social security expenses	34.151	397.899
Other staff expenses	165.814	51.962
	<u>3.224.189</u>	<u>30.550.552</u>
	<u>2015</u> DKK	<u>2014</u> DKK
3 Financial expenses		
Interest paid to group enterprises	989.265	14.424
Exchange adjustments, expenses	0	7.847
Other financial expenses	3.667	45.756
	<u>992.932</u>	<u>68.027</u>
4 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-3.451.416	3.058
	<u>-3.451.416</u>	<u>3.058</u>

Notes to the Financial Statements

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	99.699
Disposals for the year	-99.699
Cost at 31 December	<u>0</u>
Impairment losses and depreciation at 1 January	58.195
Reversal of impairment and depreciation of sold assets	-58.195
Impairment losses and depreciation at 31 December	<u>0</u>
Carrying amount at 31 December	<u>0</u>

	2015	2014
	DKK	DKK
6 Investments in subsidiaries		
Cost at 1 January	0	0
Additions for the year	136.527.150	0
Cost at 31 December	<u>136.527.150</u>	<u>0</u>
Value adjustments at 1 January	<u>0</u>	<u>0</u>
Value adjustments at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>136.527.150</u>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Studios A/S	Copenhagen	600.000	100%	30.215	653
Metronome productions A/S	Copenhagen	1.300.000	100%	42.046	7.485

Notes to the Financial Statements

7 Other fixed asset investments

	Deposits DKK
Cost at 1 January	294.000
Disposals for the year	-294.000
Cost at 31 December	0
Carrying amount at 31 December	0

8 Equity

The share capital consists of 146,750 shares of a nominal value of DKK 100. No shares carry any special rights.

The share capital has developed as follows:

	2015	2014	2013	2012	2011
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	500.000	500.000	500.000	500.000	500.000
Capital increase	14.175.000	0	0	0	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	14.675.000	500.000	500.000	500.000	500.000

9 Related parties and ownership

The following shareholder is 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 Shine Nordics AB

Accounting Policies

Basis of Preparation

The Annual Report of Endemol Denmark A/S for 2015 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 2015 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of MediArena Acquisition B.V., reg. nr. 61151955, with seat in Hilversum, the Netherlands, the Company has not prepared consolidated financial statements.

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 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

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.

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 service is recognised when the risks and rewards relating to the service 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. Income is recognised when the services is delivered.

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 amortisation, depreciation and impairment of property, plant and equipment.

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.

Accounting Policies

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

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 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 subsidiaries. The tax effect of the joint taxation is allocated to Danish 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	2-3	years
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Depreciation period and residual value are reassessed annually.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of Depostia.

Accounting Policies

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, 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.

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.