European Directories Midco S.à r. l.

Financial statements for the year ending 31 December 2016

(with the Report of the Réviseur d'Entreprises Agrée thereon)

R.C.S Luxembourg B 155418
46A avenue J.F. Kennedy
L-1855 Luxembourg
Subscribed capital: EUR 100,000

Table of contents

Financial statements for the year ending
31 December 2016

Statement of financial position

All amounts are in Euro unless otherwise stated	Note(s)	31 December 2016	31 December 2015
ASSETS			
Non-current assets			
Investments in subsidiaries	1.8, 6	2 043 499	2 043 499
Available-for-sale investments	1.8, 7	-	1 153 155
Loan receivables	1.9, 8	120 311 569	112 108 823
Total non-current assets		122 355 068	115 305 477
Current assets			
Accrued interest on loans and other receivables	1.9, 8	10 134 055	9 480 877
Cash and cash equivalents	1.11	38 872	-
Total current assets		10 172 927	9 480 877
Total assets		**132 527 995**	**124 786 354**
EQUITY			
Equity attributable to owners of the parent			
Share capital		100 000	100 000
Share premium		16 448 734	16 448 734
Other reserves		9 873	9 873
Profit (loss) brought forward		-40 963 462	-32 255 484
Loss of the year		-10 605 809	-8 707 978
Total equity	1.12, 9	-35 010 664	-24 404 855
LIABILITIES			
Non-current liabilities			
Shareholder loan and accrued interests	1.13, 10 (a), 11	154 109 983	134 781 407
Total non-current liabilities		154 109 983	134 781 407
Current liabilities			
Other financial liablities		-	1 130 000
Accrued interest	1.13, 10 (b), 11	81 297	66 231
Trade and other payables	1.14, 10 (b), 11	13 347 379	13 213 571
Total current liabilities		13 428 676	14 409 802
Total liabilities		167 538 659	149 191 209
Total equity and liabilities		**132 527 995**	**124 786 354**

Statement of profit and loss and other comprehensive income

All amounts are in Euro unless otherwise stated	Note	1 January - 31 December 2016	1 January - 31 December 2015
Board fees	1.15, 3	-498 980	-615 876
Other expenses	4	-194 269	-214 340
Operating loss	1.16	-693 249	-830 216
Finance income	8	9 457 668	8 756 854
Finance costs	7,10	-19 367 018	-16 629 806
Net finance costs		-9 909 350	-7 872 952
Loss before income tax		**-10 602 599**	**-8 703 168**
Income tax	1.18, 5	-3 210	-4 810
Profit (loss) for the period		**-10 605 809**	**-8 707 978**
Total comprehensive income		**-10 605 809**	**-8 707 978**

Statement of cash flows

All amounts are in Euro unless otherwise stated	Note(s)	1 January - 31 December 2016	1 January - 31 December 2015
Cash flow from operating activities			
Profit (loss) for the period		**-10 605 809**	**-8 707 978**
Adjustments for:			
Income tax		3 210	4 810
Finance income	8	-9 457 668	-8 756 854
Finance costs	7,10	19 367 018	16 629 806
Operating loss		**-693 249**	**-830 216**
Interest received	8	655 020	-
Realised foreign exchange gains and losses and other finance items		-221	-7 386
Taxes paid		-1 822	-4 810
Operating cash flow before movements in working capital		**-40 272**	**-842 412**
Net change in working capital		46 575	34 924
Net cash from operating activities		**6 303**	**-807 488**
Cash flow from investing activities			
Purchases of available-for-sale investments	7	-	-20 398
Net cash used in investing activities		**-**	**-20 398**
Cash flow before financing activities		**6 303**	**-827 886**
Cash flow from financing activities			
Proceeds from current liabilities	10 (b)	178 831	1 010 028
Loans granted to related parties	8	-146 262	-218 942
Net cash used in financing activities		**32 569**	**791 086**
Net increase (+) / decrease (-) in cash and cash equivalents		38 872	-36 800
Cash and cash equivalents at beginning of period		-	36 800
Cash and cash equivalents at the end of period		38 872	-

Statement of changes in equity

All amounts are in Euro unless otherwise stated	Note(s)	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		Equity attributable to owners of the parent				
Balance 1 January 2015	9	100 000	16 448 734	9 873	-32 255 484	-15 696 877
Total comprehensive income for the financial year 2015		-	-	-	-8 707 978	-8 707 978
Balance at 31 December 2015		**100 000**	**16 448 734**	**9 873**	**-40 963 462**	**-24 404 855**
Total comprehensive income for the financial year 2016		-	-	-	-10 605 809	-10 605 809
Balance at 31 December 2016		**100 000**	**16 448 734**	**9 873**	**-51 569 271**	**-35 010 664**

Notes to the financial statements

Note 1 Summary of significant accounting policies

1.1 General information

European Directories Midco S.à r.l., Luxembourg (hereafter referred to as "the Company") is the parent company of the European Directories group ("the Group" or "European Directories" or "ED Group") and has its registered address at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg. The Company was incorporated on 27 August 2010 for an unlimited period, under the laws of the Grand Duchy of Luxembourg as European Directories Midco S.A., Luxembourg, on 7 December 2012 it became European Directories Midco S.à r.I.

The Company is a holding company and is registered with the Luxembourg Register of Commerce under number B 155418.

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.2 Going concern

The going concern of the Company largely depends on the support of its shareholders and positive cash flow from Group operations. The Board of Directors of the Company has considered the future expected cash flows of the Company's existing business and believes the Company will continue to operate in the foreseeable future, at least during the next 12 months after the date of the issuance of this financial statement.

The Group refinanced its external debt on 10 December 2013. The refinancing was achieved by replacing the external bank debt with bonds issued to the market by a Group company, European Directories BondCo S.C.A. and preferred equity certificates issued by the Company (“PECs”). The holder of the PECs is Leafy S.à r.l., the Company's parent. The maturity of the bonds is December 2018 and the maturity of the PECs is 2043.

In addition, Cash flow forecasts of the Group, for the upcoming 12 months show a positive cash flow that will enable the Group to maintain its operations for at least 12 months after signing the financial statements. With the refinancing at the end of 2013, the Group has secured its financing position until December 2018. Consequently, and taking the current cash flow and working capital forecasts into consideration, these financial statements have been prepared on a going concern basis assuming that the Group will continue in operation for at least the 12 months following and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Group has contracts with customers and suppliers across different geographic areas and industries, the Board of Directors believes that the Group is able to manage its business risks. The Board of Directors has a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

Therefore the going concern basis of accounting has been adopted in preparing these financial statements.

1.3 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

These financial statements were authorised for issue on 3 April 2017.

The figures in the financial statements are presented in Euro unless otherwise stated.

Notes to the financial statements (continued)

1.4 Basis of measurement

These financial statements are prepared under historical cost convention or otherwise at fair value as disclosed in accounting policies thereafter.

1.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Euro (EUR), which is the Company´s functional currency.

Transactions denominated in foreign currencies are translated using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated to Euro using the exchange rate quoted on the closing date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated at the functional currency at the exchange rate when the fair value is determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange rate differences are recognised in the statement of profit or loss and other comprehensive income. Net translation differences relating to financing are presented under finance income or expenses.

The balance sheet date rate is based on the exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of each month's ending rate from the European Central Bank during the year and the ending rate of the previous year.

1.6 New accounting principles

1.6.1 Application of new and amended IFRS standards and IFRIC interpretations

The changes in the IFRS standard effective from periods beginning 1 January 2016 included mainly improvements to current standards and did not have an effect on the financial statements.

The Board of Managers anticipates that the adoption of the following standards, amendments and interpretations listed below in future periods will have no material financial impact on the financial statements.

- IFRS 15 Revenue recognition
- IFRS 9 Financial Instruments
- IFRS 16 Leases

The Company intends to adopt these standards, if applicable, when they become effective (in case endorsed by EU).

1.7 Presentation of current and non-current assets and liabilities

Current assets and liabilities are settled within twelve months whereas non-current assets and liabilities are settled within more than twelve months.

1.8 Investment in subsidiaries and in other shares

Shareholdings are carried at cost less impairment losses.

The carrying amount of the shares is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated and the difference with the carrying amount is recorded as an impairment loss. For further information, see note 1.10 "Impairment of financial assets".

Notes to the financial statements (continued)

1.9 Loan receivables

Loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market nor held by the Company for trading. Upon initial recognition loan receivables are measured at fair value, and are subsequently measured at amortised cost using the effective interest method, less any impairment. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

Interest income is recognised by applying the effective interest rate, except for current receivables when the recognition of interest would be immaterial.

Transaction costs that are directly attributable to the acquisition or issue of a financial asset are deducted from the asset's carrying value. This is because financial assets are initially recognised at cost, corresponding to the fair value of the sums paid or received in exchange for the asset. The costs are subsequently amortised over the life of the asset, by the effective interest method.

The effective interest rate is the rate, which discounts estimated future cash payments up to the maturity or the nearest date of price adjustment to the market rate, to the net carrying amount of the financial liability.

The Company derecognises a financial asset when its contractual obligations are discharged, cancelled or expire.

1.10 Impairment of financial assets

A financial asset is impaired when its carrying amount exceeds its recoverable amount. The Company reviews all of its assets at each reporting date for indicators of impairment.

The carrying amount of an impaired financial asset is reduced to its estimated recoverable amount and the amount of the change in the current period provision is recognised in the statement of comprehensive income. Recoveries, write-offs and reversals of impairment are included in the statement of comprehensive income as part of change in provisions for impairment.

If in a subsequent year, the amount of the impairment on financial assets decreases, due to an event occurring after the write-offs, the amount is reversed by adjusting the impairment and is recognised in the statement of comprehensive income.

A financial asset is impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the asset the estimated future cash flows of the asset have been impacted.

The Company considers evidence of impairment at both specific and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or receivable by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter into bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as economic conditions that correlate with defaults in the group.

1.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and short-term deposits with an original maturity of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company / Group in the management of its short-term commitments.

Notes to the financial statements (continued)

1.12 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds of the share issue.

Dividends on ordinary shares are recognised in the financial statements in the period in which they are approved by the Company's shareholders.

1.13 Interest-bearing liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss; or other financial liabilities (financial liabilities recognized at amortised cost). Currently the Company has only financial liabilities classified in the latter category.

Interest-bearing loans and borrowings are initially recognized at fair value less transaction costs incurred. Subsequently they are stated at amortised cost with any difference between cost and redemption value being recognised as an interest expense over the period of the borrowings, using the effective interest method.

Interest-bearing loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Transaction costs that are directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying amount. This is because financial liabilities are initially recognized at cost, corresponding to the fair value of the sums paid or received in exchange for the liability. The costs are subsequently amortised over the life of the liability, by the effective interest method.

The effective interest rate is the rate, which discounts estimated future cash payments up to the maturity or the nearest date of price adjustment to the market rate, to the net carrying amount of the financial liability.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Interest-bearing loans and borrowing costs paid on the establishment of loan facilities are recognised to the extent that is probable that some or all of the facility will be drawn down. In this case, the cost is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the cost is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

1.14 Trade and other payables

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

1.15 Management remuneration

Currently the Company's management remuneration consist of fees paid to members of the Board. Board fees are accrued in the year in which the related service is provided.

1.16 Operating result

IFRS allow the use of additional line items and subtotals in the income statement. The Company has defined operating result to be a relevant subtotal in understanding the Company's financial performance. All other items of the statement of comprehensive income are presented below the operating result.

Notes to the financial statements (continued)

1.17 Finance income and expenses

Finance income and expenses comprise interest receivable and payable on borrowings, loans calculated using the effective interest rate method, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in the income statement. Currently the Company has no hedging instruments.

Finance income comprises interest receivable on the loans granted and foreign exchange gains. Interest income is recognized as it accrues, using the effective interest method. Dividend income is recognized on the date that the entity's right to receive payments is established.

Finance costs comprise interest payable on borrowings calculated using the effective interest method and foreign exchange losses.

1.18 Current and deferred Income tax

Tax expense for the period comprises current and deferred income tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. Other taxes not based on income, such as capital taxes, are included within other operating expenses.

The current income tax charge is calculated on the Company's taxable income and on the basis of the tax rates and laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Taxable profit differs from profit as reported in the separate income statement because of items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Managers periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is generally provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets are set off against deferred tax liabilities if they relate to income taxes levied by the same taxation authority.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.19 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of uncertain future events not wholly within the control of the entity. Such present obligation that probably does not require settlement of a payment obligation and the amount of which cannot be reliably measured is also considered to be a contingent liability. Contingent liabilities are disclosed in the notes to the financial statements.

Note 2 Use of judgements and estimates

The preparation of financial statements under IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. These estimates and assumptions are based on historical experience and other justified factors, including expectations of future events that are believed to be reasonable under the circumstances at the end of the reporting period and the time when they were made. Actual results and timing may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis and when preparing financial statements. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or more experience. Such changes are recognized in the period in which the estimate is revised.

Critical estimates and judgements as applied by the Managers in the preparation of the financial figures are periodically discussed with the Board of Managers. The major accounting estimates and judgements applied in the preparation of the underlying financial statements are as follows:

- Accounting for income taxes
- Accounting for provisions
- Impairment testing for financial assets (see note 1.10)

By their nature, the above-mentioned items are dependent upon estimates and judgements whether the criteria for recognition have been met. Should the actual outcome defer from the estimates and judgements, revision to the recognized amounts would be required which could impact the financial position of the Company.

Note 3 Board of Managers fees

The Company had no employees during the year, as well as in the previous year.

The Company pays remuneration to the members of the Board of Managers. Please see note 12 for details.

Note 4 Other expenses

	31 December 2016	31 December 2015
Auditor remuneration	56 833	44 753
Other administrative expenses	137 436	169 587
Total	**194 269**	**214 340**
Auditor remuneration		
Audit fees	56 833	44 753
Total	**56 833**	**44 753**

Note 5 Income taxes

The Company is subject to taxation under the Luxembourg tax regulation applicable to companies.

	31 December 2016	31 December 2015
Current income taxes	3 210	4 810
Total	**3 210**	**4 810**

The table below expains the difference between theoretical tax cost calculated with Luxembourg nominal tax rate 29.2% (2015: 29.2%) and tax expense in the consolidated income statement.

	31 December 2016	31 December 2015
Profit (loss) before income tax	**-10 602 599**	**-8 703 168**
Taxes calculated using the Luxembourg tax rate	3 095 959	2 541 325
Tax exempt income	-	-
Current year losses for which no deferred tax asset was recognised	-3 092 749	-2 536 515
Income tax total	**3 210**	**4 810**

Note 6 Investments in subsidiaries

	31 December 2016	31 December 2015
Balance at the beginning of the year	**2 043 499**	**2 043 499**
Changes in investments in subsidiaries	-	-
Balance at the end of the year	**2 043 499**	**2 043 499**

The Company has shareholdings in the following companies:

Name	Registered office	Proportion of the capital held, %	Capital and reserves as at 31 December 2016	Profit (loss) for the year ended 31 December 2016
European Directories BondCo S.C A. ("BondCo")	2C, rue Albert Borschette, L-1246 Luxembourg, R.C.S. Luxembourg	99.99%	1 607 673	-77 937
European Directories GP ("ED GP")	2C, rue Albert Borschette, L-1246 Luxembourg, R.C.S. Luxembourg	100 %	-77 168 *	-29 057 *

* Figures are not audited

On 2 December 2013 the Company contributed EUR 2,030,999 to the share capital of European Directories BondCo S.C.A. and EUR 12,500 to the share capital of European Directories GP.

Note 6 (continued)

The amount of capital and reserves and the loss for the latest financial year of the said companies, as presented above, are based on the financial statements as at and for the period ended 31 December 2016. European Directories BondCo S.C.A has prepared its financial statements under IFRS and European Directories GP S.á r.l under Lux GAAP.

The Company has issued a guarantee for the obligations of European Directories BondCo S.C.A. senior secured callable floating rate bonds ("Bonds") in the amount of EUR 160,000,000. The Company has also pledged the shares it owns in European Directories BondCo S.C.A. and European Directories GP as well as all claims under the PIK intercompany loans as security to the Bonds.

Note 7 Available-for-sale investments

Shares of Bokadirekt i Stockholm AB (2015: EUR 1,153,155) were sold during the financial year. The sale created a capital loss of EUR 23,155 recognized in finance costs in the statement of profit and loss.

Note 8 Current and non-current receivables

Counterpart	31 December 2016	31 December 2015	Interest rate	Maturity date
Loan to European Directories BondCo S.C.A.			7,24 %	31.10.2043
Original loan amount	103 313 950	103 313 950		
Set up fee	450 845	450 845		
Interest capitalized	15 569 053	7 512 571		
Loan balance	119 333 848	111 277 366		
Loan to European Directories Parent S.A.	-	333 490	0,1 %	On demand
Loan to European Directories Holdco S.A.	-	244 496	0,1 %	On demand
Loan to Leafy S.á r.l	977 721	253 471	0,1 %	On demand
Total	120 311 569	112 108 823		

On 10 December 2013, in order to facilitate the financial restructuring of its group, the Company entered into a EUR 103,313,950 loan agreement with its immediate subsidiary, European Directories Bondco S.C.A. As on 31 December 2016 the loan amounts to EUR 119,333,848. The loan carries an interest rate of 7,24% payable annually in arrears.

As of 31 December 2016 the Company has a loan receivable totalling of EUR 977,721 from Leafy S.à r.l. The loans from European Directories Parent S.A. and European Directories Holdco S.A. totalling of EUR 724,250 were transferred to Leafy S.à r.l. in November 2016. The loans carry an interest rate of 0,1% payable in arrears of 30 June and 30 December each year. The Company does not have the intention to ask for repayment in the next 12 months from the date of the financial statements.

	31 December 2016	31 December 2015
Interest income on financial assets classified as loans and receivables		
Loan to European Directories BondCo S.C.A.	9 364 928	8 756 052
Other loans	930	802
Total interest income in the statement of profit and loss	9 365 858	8 756 854
Other financial income	91 810	-
Total financial income in the statement of profit and loss	**9 457 668**	**8 756 854**
Interest income paid during the period	-655 020	-
Set up fee/interest capitalized during the period	-8 056 482	-7 512 571
Total accrued interest	**10 110 989**	**9 456 633**
Prepayments	23 066	24 244
Total accrued interest and other receivables	**10 134 055**	**9 480 877**

Other current receivables comprised prepayments made in relation with insurance contracts, recognised in the following years EUR 23,066 (2015: EUR 24,444).

Note 9 Capital and reserves

Share capital

The issued share capital consists of 10,000,000 shares with a nominal value of EUR 0.01 each, all of which are fully paid up. The share capital is divided into three classes of shares, namely 4,990,000 class A shares, 4,010,000 class B shares and 1,000,000 class C shares. Each share entitles the holder to one vote at the Annual General Meeting. Different shares entitle their holders to a different dividend.

Other reserves

Legal reserve: In accordance with the Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

Note 10 Non-current and current financial liabilities and other liabilities

a.) Non-current financial liabilities	31 December 2016	31 December 2015
Shareholder loan (PECs)	103 313 950	103 313 950
Accrued interests on Shareholder loan	50 796 033	31 467 457
Total non-current liabilities	**154 109 983**	**134 781 407**

On 10 December 2013 the Company issued 103,313,950 preferred equity certificates for an aggregate amount of EUR 103,313,950. Leafy S.á r.l. is the holder of all outstanding PECs.

The PECs have a maturity date of 10 December 2043. The PECs carry a fixed yield and a profit yield which can be paid in full or in part by issuing new PECs to the holders. As at 31 December 2016, the accrued interest amounts to EUR 50,796,033 (31 Dec 2015: EUR 31,467,457).

	31 December 2016	31 December 2015
Interest expense on shareholder loan and other financial liabilities		
Shareholder loan (PECs)	19 328 576	16 565 920
Loan from Fonecta Oy	15 067	56 500
Total interest expense	**19 343 643**	**16 622 420**
Other finance expenses (incl. loss on available for sale investment disposal)	23 375	7 386
Total finance cost in the statement of profit and loss	**19 367 018**	**16 629 806**
Accrued interest previous year		
Shareholder loan (PECs)	31 467 457	14 901 537
Total accrued interest previous year	**31 467 457**	**14 901 537**
Interest capitalized	**50 796 033**	**31 467 457**

Note 10 (continued)

b.) Current liabilities	31 December 2016	31 December 2015
Other financial liabilities		
Loan from Fonecta Oy	-	1 130 000
	-	**1 130 000**
Accrued interest previous year		
Loan from Fonecta Oy	66 231	9 731
Total accrued interest previous year	**66 231**	**9 731**
Interest payable on borrowings		
Loan from Fonecta Oy	81 297	66 231
Total interest payable to borrowings	**81 297**	**66 231**
Amounts due to group companies		
DTG Holding B.V.	59 597	64 438
Fonecta Oy	44 600	2 186
Herold Business Data GmbH	-	-37 524
European Directories Corporations Oy	14 429	2 503
European Directories Opholdco S.à r.l	3 705 426	3 705 426
European Directories (DH7) B.V.	9 341 009	9 341 009
	13 165 061	**13 078 038**
Current tax	1 989	601
Accrued expenses	102 893	133 847
Other	77 436	1 085
Total trade and other payables	**13 347 379**	**13 213 571**

The loan payable to Fonecta Oy totalling EUR 1,130,000 was paid in April 2016. As of 31 December 2016, the accrued interest amounts to EUR 81,297 (2015: EUR 66,231).

Amounts due to group companies consists of accounts payable to Company's subsidiaries.

Note 11 Financial risk management

Annual corporate governance statement

The Board of Managers of European Directories Midco S.à r.l. has overall responsibility for its control environment and is responsible for establishing and maintaining adequate internal control and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

European Directories Midco S.à r.l. has a number of policies and procedures in key areas of financial reporting, which are derived from the European Directories Group's Accounting Standards, Risk Management Policy, Treasury Policy, Information Security Policy and Business Ethics Policy. These policies and procedures apply to all companies of the European Directories Group, including European Directories Midco S.à r.l.

Financial risk factors

The Company's activities expose it to a variety of financial risks:
- market risk (including currency risk), fair value interest rate risk and price risk
- credit risk; and
- liquidity risk.

The Company's overall risk management programme focuses on the structure of the assets and liabilities.
Management aims in achieving risk minimisation through the use of a ("back to back") structure.

1. Market risk

Price/Interest rate risks

Market risk is the potential of suffering losses due to changes in market prices or parameters influencing market prices. It includes changes concerning illiquidity of sub-markets resulting in the inability of buying/selling positions of a specific size, within a specific period of time or at fair value conditions.

Interest rate risk is covered by the structure of the assets and liabilities. Through back to back structuring management consider the interest cash flow risk to be mitigated.

Sensitivity analysis

A reasonably possible change of 100 basis points in the interest rates at the reporting date would not impact the value of assets, liabilities or shareholder equity in a significant way.

The back to back structure of assets and liabilities offsets this risk.

Note 11 (continued)

Currency risk

The Company has no significant currency risk as borrowings and lending contracts are denominated in Euro, the functional and presentation currency of the Company. The Company is only subject to individual insignificant transactions in foreign currency which may arise.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Euro, US dollar (USD) or Swedish Crown (SEK) against all other currencies as at reporting date would have not significantly affect the measurement of the value of assets, liabilities or shareholder equity.

2. Credit risk

Credit risk is associated with potential losses arising from a business partner's (counterparty, issuer, other contractual partner) default, i.e. its inability or unwillingness to meet contractual obligations, or the deterioration of its creditworthiness, e.g. changes in the issuer credit rating.

The maximum credit risk exposure of the Company in the event of other parties failing to perform their obligations is considered to be the carrying value of the loan.

3. Liquidity risk

Liquidity risk is the risk that the ability to meet payment obligations cannot be ensured at all times. In economic terms, this is the risk resulting from the Company's exposure to an increase of liquidity premiums. As presented under Note 8 "Current and non-current receivables" and Note 10 "Non-current and current financial liabilities and other liabilities", the management ensures that liquidity risk is kept to a minimum by matching the liquidity and maturity structure of assets and liabilities at all time.

A change in the interest, currency and market price movements would not impact the liquidity of the Company at the reporting date, value of assets, liabilities or shareholder equity in a significant way. The back to back structure of assets and liabilities offsets these risks.

Maturity of financial liabilities	31 December 2016	31 December 2015
Due in one year	13 428 676	14 409 802
Due in more than five years	154 109 983	134 781 407
Total	**167 538 659**	**149 191 209**

Carrying amounts and fair value
The following table shows the carrying amounts of financial instruments. All financial instruments presented are valued at amortized cost through the use of the effective interest rate method. The carrying values of the financial instruments are considered to be a good approximation of the fair value of the financial instruments.

	Non- current assets		Current assets		
	Trade and other receivables	Investments	Trade and other receivables	Cash and cash equivalents	Total
Financial assets not measured at fair value					
Trade and other receivables	120 311 569	-	10 134 055	-	**130 445 624**
Cash and cash equivalents	-	-	-	38 872	**38 872**
Corporate securities	-	2 043 499	-	-	**2 043 499**
TOTAL	**120 311 569**	**2 043 499**	**10 134 055**	**38 872**	**132 527 995**

	Non- current liabilities				
	Interest bearing loans and borrowings		Interest bearing loans and borrowings	Trade and other payables	Total
Financial assets not measured at fair value					
Trade and other payables	-	-	-	13 347 379	**13 347 379**
Borrowings	154 109 983	-	81 297	-	**154 191 280**
TOTAL	**154 109 983**	-	**81 297**	**13 347 379**	**167 538 659**

Note 12 Related parties

Related parties of the Company

The Company's related party comprise the following:
* European Directories BondCo S.C.A.
* European Directories Parent S.A.
* Leafy S.à r.l.
* Board of Managers
* European Directories HoldCo S.A.

Key management personnel of the Company consist of the Board of Managers ("the Managers"). The Company also has intercompany items with some of its subsidiaries (see Note 10 "Non-current and current financial liabilities and other liabilities").

Ownership structure

European Directories Midco S.à r.l. is the parent company of the European Directories Group. Leafy S.á r.l. holds at the balance sheet date 90.00 % of the shares in European Directories Midco S.à r.l.
European Directories Midco S.à r.l. has shareholdings in two subsidiaries, European Directories BondCo S.C.A., and European Directories GP. For further information, see Note 6 "Investment in subsidiaries".

Related party transactions

	31 December 2016	31 December 2015
Loan receivables	120 311 569	112 108 823
Loan payables	154 109 983	134 781 407
Interest income	9 365 858	8 756 854
Interest expenses	19 343 643	16 622 420
Accrued interest on loan receivables	10 110 989	9 456 633
Accrued interest on loan payables	81 297	66 231
Board fees*	714 980	953 876

*The Midco board is active as well at the level of the Group, therefore EUR 216,000 (2015: EUR 338,000) were recognised by another European Directories Group company and EUR 498,890 (2015: EUR 615,876) by European Directories Midco S.à r.l.

There are no commitments in respect of retirement pensions for members of the management and supervisory bodies. There are no advances, loans or commitments given on their behalf by way of guarantee of any kind granted to the members of those bodies during the year ended 31 December 2016.

Note 13 Contingencies and commitments

The Managers of the Company are not aware of any significant contingent liabilities as at 31 December 2016.

European Directories Midco S.à r.l. is a guarantor for the obligations of European Directories BondCo S.C.A. under the Bond. European Directories Midco S.à r.l. and European Directories BondCo S.C.A. have provided security for certain assets (loan receivables and accounts) to secure the obligations of European Directories BondCo S.C.A. under the finance documents.

Note 14 Events after the balance sheet date

No subsequent events have occurred at the date these financial statements were available for issuance that would have a material impact on the result or financial position the Company.

Luxembourg, 3 April 2017

The Board of Managers,

Hannu Syrjänen

Peder Prahl

Marco Sodi

Björn Osterloff

Marcus Englert

Sébastien Rimlinger

Fabrice Rota

KPMG

KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L - 1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Partners of
European Directories Midco S.à r.l.
46A, Avenue John F. Kennedy
L-1855 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

We have audited the accompanying financial statements of European Directories Midco S.à r.l., which comprise the statement of financial position as at December 31, 2016, the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the financial statements

The Board of Managers is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgement of the Réviseur d'Entreprises agréé, 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 Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of European Directories Midco S.à r.l. as of December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Luxembourg, April 4, 2017

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

Fabien Hedouin