

**COMPANY REGISTRATION NO.**

**9676399**

**PERFORM INVESTMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2017**



**PERFORM INVESTMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2017**

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## **PERFORM INVESTMENT LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **Directors**

Ashley Milton  
James Rushton

#### **Registered Office**

Hanover House  
Plane Tree Crescent  
Feltham  
TW13 7BZ

#### **Solicitors**

Weil, Gotshal & Manges  
110 Fetter Lane  
London  
EC4A 1AY

Wiggin LLP  
10th Floor, Met Building  
22 Percy Street  
London  
W1T 2BU

Bird & Bird LLP  
12 New Fetter Lane  
London  
EC4A 1JP

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ

## **PERFORM INVESTMENT LIMITED**

### **STRATEGIC REPORT**

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

#### **Principal activities**

The principal activity of Perform Investment Limited (the "Company") is the utilisation and commercialisation of sports rights, content and services primarily on its direct-to-consumer OTT media platform 'DAZN'.

#### **Business review**

In response to rapid changes in the consumption of sports and media content (for example, the shift from analogue and pay TV platforms to a range of digital devices, including smartphones, tablets and smart TVs) and increasing consumer demand for streamed sporting content, Perform Group Limited (the "Group") launched its direct-to-consumer media subscription platform 'DAZN' in August 2016. During 2016 the Group launched DAZN in Germany, Switzerland, Austria ("DACH") and Japan. In August 2017 DAZN was subsequently launched in Canada.

#### **Financial review**

Revenue for the year to 31 December 2017 was £90.8 million (2016: £8.6 million) reflecting increased trading since the launch of DAZN in August 2016.

Loss after tax for the year to 31 December 2017 was £259.6 million (2016: £77.3 million) reflecting the investment during the launch phase of the DAZN platform in DACH, Japan and Canada.

The Company had cash balances of £143.8 million (2016: £95.5 million) at the year end and net current liabilities of £207.4 million (2016 net current assets: £69.5 million).

#### **Principal risks and uncertainties**

The Directors believe that the Company's continuing success in creating value for its digital rights, its broad product offering, the length and nature of existing contracts and its international customer base will protect future revenues.

In order to deliver and expand its range of services the Company needs to invest continuously in software development and technical hardware. This investment ensures that the Group remains able to provide an innovative, scalable technical platform and to deliver new and improved products to the market and its customers. The Company plans to maintain this investment to deliver new products and services, particularly across mobile devices.

The licensing of sports rights is critical to the success of the business. Such rights are usually licensed for periods of between three to five years. In some instances, rights are acquired for periods longer than the relevant revenue contracts.

The Directors monitor the level of this contract exposure and endeavour, wherever possible, to progress revenue contract renewal negotiations well before the contracts are due to terminate, thus limiting the financial risk of such exposure. Revenue contracts are also worded to ensure rights may be replaced with rights of similar value if a rights renewal is unsuccessful during the period of the relevant contract.

While global economic conditions impact the sports industry, they have not been, and are not anticipated to be, as affected by the economic conditions as have many other sectors and thereby such conditions have not, to date, had a detrimental effect on the Company's operations and revenue. The Directors believe that the Company's success in creating value for its customers' digital rights, the length and nature of its existing contracts and its international customer base will limit any material effect that potentially detrimental global economic conditions may have on its revenue over the medium term.

#### *Financial risk management objectives and policies*

The Company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to/from Group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

#### *Liquidity risk*

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company's policy throughout the year has been to achieve this objective through management's day-to-day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

## **PERFORM INVESTMENT LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **Principal risks and uncertainties (continued)**

##### *Credit risk*

The Company's principal financial assets are cash, prepayments and intercompany debtors.

The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from intercompany debtors. Group management performs Group cash flow projections on a regular basis to assess whether companies of the Group are able to repay balances.

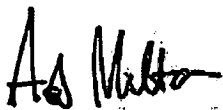
##### **Future developments**

The Directors expect the general level of activity to continue to increase in the forthcoming year as the investment in the three launch markets, DACH, Japan and Canada, continues as well as the ongoing assessment and identification of new geographical markets to enter.

##### **Events after the balance sheet date**

Details of significant events since the balance sheet date are contained in note 18 to the financial statements.

Approved by the Board of Directors and signed on behalf of the Board



**Ashley Milton**

Director

27 September 2018

## **PERFORM INVESTMENT LIMITED**

### **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2017.

#### **Going concern**

The financial statements have been prepared using the going concern basis of accounting. Refer to the accounting policies on page 11 for further discussion.

#### **Directors**

The Directors, who served throughout the year, were as follows:

James Rushton

Ashley Milton

#### **Dividend**

The Directors do not recommend the payment of a dividend in respect of 2017 (2016: £nil).

#### **Future developments, financial risk management objectives and policies and events after the balance sheet date**

Details of future developments, financial risk management objectives and policies and events that have occurred after the balance sheet date can be found in the Strategic Report on pages 2 and 3 and form part of this report by cross-reference.

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **PERFORM INVESTMENT LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Auditor**

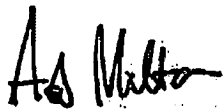
Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Company has appointed Deloitte LLP as statutory auditor during the period. Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



**Ashley Milton**

Director

27 September 2018

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERFORM INVESTMENT LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Perform Investment Limited (the 'company') which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERFORM INVESTMENT LIMITED (CONTINUED)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

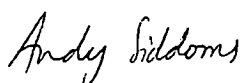
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Andy Siddons (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
27 September 2018

**PERFORM INVESTMENT LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £'000	2016 £'000
All results relate to continuing operations			
Revenue	2	90,801	8,589
Cost of sales		(165,690)	(8,429)
<b>Gross (loss)/profit</b>		<b>(74,889)</b>	<b>160</b>
Administrative expenses		(147,583)	(64,084)
<b>Operating loss</b>		<b>(222,472)</b>	<b>(63,924)</b>
Finance income	3	1,131	171
Finance costs	4	(38,038)	(13,502)
<b>Loss before taxation</b>	5	<b>(259,379)</b>	<b>(77,255)</b>
Taxation charge	7	(208)	-
<b>Loss for the year</b>		<b>(259,587)</b>	<b>(77,255)</b>

There were no other gains or losses during the year other than those set out in the income statement above and hence no statement of comprehensive income has been presented.

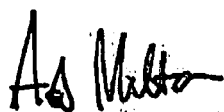
**PERFORM INVESTMENT LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Notes	2017 £'000	2016 £'000
<b>Non-current assets</b>			
Intangible assets	8	20,837	12,035
Property, plant and equipment	9	10,551	1,579
		<b>31,388</b>	<b>13,614</b>
<b>Current assets</b>			
Trade and other receivables	11	78,848	16,848
Prepayments	12	210,921	84,762
Cash and cash equivalents		143,798	95,515
		<b>433,567</b>	<b>197,125</b>
<b>Total assets</b>		<b>464,955</b>	<b>210,740</b>
<b>Current liabilities</b>			
Trade and other payables	13	(105,693)	(25,927)
Current borrowings	14	(535,282)	(101,666)
		<b>(640,975)</b>	<b>(127,593)</b>
<b>Net current (liabilities)/assets</b>		<b>(207,408)</b>	<b>69,533</b>
<b>Non-current liabilities</b>			
Non-current borrowings	14	(167,634)	(167,215)
<b>Total liabilities</b>		<b>(808,610)</b>	<b>(294,808)</b>
<b>Net liabilities</b>		<b>(343,655)</b>	<b>(84,068)</b>
<b>Equity</b>			
Called-up share capital	15	-	-
Accumulated deficit		(343,655)	(84,068)
<b>Total deficit</b>		<b>(343,655)</b>	<b>(84,068)</b>

The financial statements of Perform Investment Limited, registered number 9676399, were approved and authorised for issue by the Board of Directors on 27 September 2018.

Signed on behalf of the Board of Directors



Ashley Milton  
Director

**PERFORM INVESTMENT LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Called-up share capital £'000</b>	<b>Accumulated Deficit £'000</b>	<b>Total deficit £'000</b>
<b>At 1 January 2016</b>	-	(6,813)	(6,813)
Total comprehensive loss for the year	-	(77,255)	(77,255)
<b>At 31 December 2016</b>	-	(84,068)	(84,068)
Total comprehensive loss for the year	-	(259,587)	(259,587)
<b>At 31 December 2017</b>	-	(343,655)	(343,655)

## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies

Perform Investment Limited is a company incorporated in the United Kingdom on 8 July 2015 under the Companies Act 2006. The Company is a public Company limited by shares and is registered in England and Wales.

The address of the registered office is Hanover House, Plane Tree Crescent, Feltham, Middlesex TW13 7BZ. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out below.

#### Basis of preparation

The Company's accounts present information about it as an individual undertaking and not as a group. The Company has taken advantage of the exemption offered by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is a wholly owned subsidiary of Perform Group Limited which prepares consolidated financial statements that are publicly available.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

#### Exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and related party transactions on the grounds that the Company is a wholly owned subsidiary undertaking of Perform Group Limited whose accounts are publicly available.

#### Going concern

Having reviewed cash flow forecasts and budgets the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

The Company had cash balances of £143.8 million (2016: £95.5 million) at the year end, net current liabilities of £207.4 million (2016 current assets: £69.5 million) and net liabilities of £343.6 million (2016: £84.1 million).

The Company's parent company, Perform Group Limited ("the Group") has indicated its willingness to provide support for the Company should it be required. The Group continued the expansion of DAZN in 2017 with the launch of Canada during August 2017. As part of the investment phase in this exciting and significant growth opportunity, the Group has made significant commitments for the acquisition of critical content rights and development of the platform and product driving this growth phase.

The Group has prepared a detailed financial forecast for the 5-year period to 2022. These forecasts indicate that, based on management's assumptions, the Group is likely to require significant additional funding during this period in order to discharge all obligations as they fall due.

The Group's principal shareholder, Access Industries ("Access"), has confirmed its current intention to continue to provide financial support to the Group to ensure that it has the necessary funding to complete its investment in DAZN and ensure that the Group and its subsidiaries meet their obligations as they fall due. This commitment is not legally binding. Additional funding may take the form of further direct investment from Access or other Shareholders and/ or from external sources. The Group has a good record of obtaining the necessary funding to support its investment and growth plans, including shareholder support if required, evidenced by the take-private of the Group in 2014 and the subsequent raising of both public and private debt between 2015 and 2018.

## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies (continued)

##### Going concern (continued)

Taking into account the uncertainty within the cash flow forecasts and the expected availability of funding, including support by Access as required, the Directors consider that the Company can meet its liabilities as they fall due for the foreseeable future. On this basis, the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements, and accordingly have continued to adopt the going concern basis in preparing the accounts.

##### Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

##### Critical judgements in applying the Company's accounting policies

The items below are critical judgements that the Directors believe have a significant effect on the amounts recognised in these financial statements:

##### *Commitment to acquire content rights*

The Company has commitments to acquire internet content rights. As at 31 December 2017 these commitments total £1,905.2 million (2016: £1,856.4 million). The Directors do not consider this commitment to be a financial liability as this commitment relates to future payments for future sporting events that the Company has acquired the right to stream. For the reasons set out above and as the organiser declares it waives the exercise of its own rights to stream the sport, the Company does not consider it meets the criteria for recognition of an intangible asset nor does it consider it has a financial liability in accordance with IAS 39 until the sporting event has been delivered.

##### *Internally generated software and research*

Management monitors progress of internal software development projects by using a project management system. Significant judgement is required in distinguishing whether such development should be recognised as an expense or capitalised. Development costs are recognised as an asset when all the relevant criteria are met. Where this is not the case costs are not capitalised and are written off as incurred.

The Company's Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems or developments after the time of recognition.

##### Key sources of estimation uncertainty

The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. Where a source of uncertainty has been discussed above it has not been duplicated below.

##### *Forecasted revenues for OTT*

The recognition of content rights costs for the OTT business is based upon the expected consumption of the economic benefit, over a period not exceeding the contractual period. As the Group has limited historical experience in OTT subscription revenue and its strategic partnership revenues within the Content business, there is significant judgment over when the value of the rights will be returned, being predominantly the forecasting of subscription revenues over the terms of the rights agreements (up to 10 years). As at 31 December 2017, the Company held a prepayment of £205.3 million in respect of content rights for the OTT business. The Company has performed a sensitivity analysis which demonstrated that 5% reduction in the future OTT business revenues would result in additional rights costs in the current reporting period of £6.1 million (with a corresponding increase in the prepayment in respect of content rights related to the OTT business).

## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies (continued)

##### Key sources of estimation uncertainty (continued)

The Company amortises its payments for sports streaming rights to cost of sales, based on a weighting of when the value of the rights will be returned, over a period not exceeding the contractual period. Whilst in substance the sports rights are intangible assets, given their nature they are not capable of recognition as an intangible asset until the sports event occurs, at which time an asset is capable of recognition.

In the case of rights for live events or highlights that are generally viewed live or very soon after the event and unlike a film or TV programming are generally viewed significantly less as time passes after the original event the Company has considered whether there is any residual value to such video-on-demand offerings and concluded that any value would be minimal and not material.

##### Revenue recognition

Revenue represents amounts derived from the provision of services falling within the Company's continuing ordinary activities, after the deduction of value added tax. Revenue is measured at the fair value of consideration received or receivable.

Subscription revenues are recognized rateably over each monthly subscription period. Revenues are presented net of the taxes that are collected from subscribers and remitted to governmental authorities.

Deferred revenue consists of subscription fees billed that have not been recognized. Revenue shares to third parties related to subscription revenues are shown within cost of sales.

Revenues related to the sub-licensing of content obtained by the OTT Business are recognised over the course of the contract. Any sub-licensing monies received in advance of the contract commencing are recognised in current liabilities as deferred income.

The Group has entered into agreements where it has licenced the rights to show content to a third party in return for media value as a substitute for cash consideration.

In such instances, as the goods exchanged are dissimilar in nature, the associated revenue and costs are measured at fair value of the goods or services received and recognised according to the delivery of the consideration over a period not exceeding the contractual term.

##### Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is recognised as an administrative expense and provided on all property, plant and equipment at rates calculated to write each asset down to its residual value, using the straight-line method, over its expected useful life as follows:

Freehold land – indefinite life

Internet hosting platform – three years

Office furniture and equipment – three years

Leasehold improvements – three years

Motor vehicles – three years

##### Intangible assets

##### Internally-generated intangible assets – research and development expenditure

Development costs (including directly attributable overheads) are capitalised only when it is probable that future economic benefit will result from the project and the following criteria are met:

- the technical feasibility of the product has been ascertained;
- adequate technical, financial and other resources are available to complete and sell or use the intangible asset;
- the company can demonstrate how the intangible asset will generate future economic benefits and the ability to use or sell the intangible asset can be demonstrated;
- it is the intention of management to complete the intangible asset and use it or sell it; and
- the development costs can be measured reliably.

## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies (continued)

##### **Internally-generated intangible assets – research and development expenditure (continued)**

Where these criteria are not met development costs are charged to the Income Statement as incurred.

Amortisation is recognised as an administrative expense and provided on computer software development at a rate calculated to write each asset down to its estimated residual value (assumed to be nil), using the straight-line method, over three years.

##### **Intangible assets – computer software development**

Development costs (including directly attributable overheads) are capitalised only when it is probable that future economic benefit will result from the project and the following criteria are met:

- the technical feasibility of the product has been ascertained;
- adequate technical, financial and other resources are available to complete and sell or use the intangible asset;
- the Company can demonstrate how the intangible asset will generate future economic benefits and the ability to use or sell the intangible asset can be demonstrated;
- it is the intention of management to complete the intangible asset and use it or sell it; and
- the development costs can be measured reliably.

Where these criteria are not met development costs are charged to the Income Statement as incurred.

Amortisation is recognised as an administrative expense and provided on computer software development at a rate calculated to write each asset down to its estimated residual value (assumed to be nil), using the straight-line method, over three years.

##### **Intangible assets – other**

Identifiable intangible assets acquired as part of business combinations, that meet the conditions for recognition under IFRS 3, are recognised at their fair value at the acquisition date. Amortisation is recognised as an administration expense and charged, on a straight-line basis, over their useful economic life on the following basis:

Trademarks and domain names – twenty years

Customer relationships – three to twelve years

Information technology architecture – three to twelve years

##### **Impairment of tangible and intangible assets**

At each reporting date, the Company reviews the carrying amounts of its goodwill, tangible and intangible assets and intangible assets not yet available for use to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit/product to which the asset belongs.

Recoverable amount is the higher of the fair value, less costs to sell, and the value in use. In assessing value in use, the estimated future cash flows, which are based on budgeted figures, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

##### **Trade and other receivables**

Trade receivables do not carry any interest and are stated at their fair value on initial recognition (plus transaction costs if any) and carried at amortised cost under the effective interest method.



## **PERFORM INVESTMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **1. Accounting policies (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of three months or less from the date of inception. Bank overdrafts that are repayable on demand and which form an integral part of the Company's cash management are also included as a component of cash and cash equivalents where offset conditions are met.

##### **Trade and other payables**

Trade payables are not interest bearing and are stated at their fair value on initial recognition (plus transaction costs if any) and carried at amortised cost. The fair value of trade and other payables has not been disclosed as, due to their short duration, Management considers the carrying values recognised in the balance sheet to be a reasonable approximation of their fair value.

##### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period and tax withheld from income. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor accounting profit.

Deferred tax liabilities are recognised for temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they:

- (i) relate to income taxes levied by the same taxation authority and
- (ii) the Company intends to settle its current tax assets and liabilities on a net basis.

##### **Foreign exchange**

Transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

## **PERFORM INVESTMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **1. Accounting policies (continued)**

##### **Content costs**

The Company typically licenses the right (from sports associations, sports bodies, leagues or their agents or partners) to supply live sports content to online bookmakers and/or to supply aggregated non-exclusive video-on-demand (typically highlights) via the Company's embeddable video player (embedded on publisher websites) or distributed in a news feed (typically highlights). The Company also acts as a global broadcast media partner in relation to its strategic partnerships and licenses the rights from the associated sports bodies to contract with broadcasters in local territories worldwide. This can often take the form of a revenue share or guaranteed commission to the associated sports bodies

The rights the Company licenses are for a fixed period of time, over a number of years. The rights are generally paid in instalments over the length of the contract, either in advance (and as such the Company will recognise a prepayment) or arrears (and as such the Company will recognise an accrual).

The Company recognises an expense for sports streaming rights to cost of sales, based on the forecast consumption of the economic benefits of the rights, over a period not exceeding the contractual period. The value of the rights return is assessed by reference to the Content revenues, both recognised and projected, over the contractual period of the rights.

In the case of content costs related wholly to the OTT Business, the rights are expensed over the contractual period, based on the forecast weighted average subscriber revenues expected to be generated over the same period.

##### **Long term cash settled scheme**

For long-term cash-settled payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured with any changes in fair value recognised in profit or loss for the year.

## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 2. Revenue

Revenue represents amounts derived from the Company's activities, stated net of value added tax.

An analysis of the Company's revenue by geographical location is set out below:

	2017 £'000	2016 £'000
Europe	33,951	5,380
Rest of the World	56,850	3,209
	<b>90,801</b>	<b>8,589</b>

#### 3. Finance income

	2017 £'000	2016 £'000
Bank interest receivable	133	68
Intercompany interest receivable	998	103
	<b>1,131</b>	<b>171</b>

The group undertaking incurs an interest comprised of a fixed and floating portion. The floating interest rate is determined by reference to the Libor rate.

#### 4. Finance costs

	2017 £'000	2016 £'000
Interest on shareholder loan	23,616	1,666
Intercompany interest payable	14,419	11,833
Bank charges and similar	3	3
	<b>38,038</b>	<b>13,502</b>

#### 5. Loss before tax

Loss before taxation is stated after charging the following:

	2017 £'000	2016 £'000
Depreciation	2,817	786
Amortisation	5,809	1,077
Operating lease rental – land and buildings	1,522	488
Fees payable to Deloitte LLP for the audit of the Company's annual accounts*	45	45

\*The above fees all relate to the audit of the Company's financial statements. No fees were payable for other services.

# PERFORM INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 6. Employee costs

There was an average of 207 employees (2016: 93), none of whom were directors, undertaking activities on behalf of the company during the year. Of those employees 131 (2016: nil) were employed directly by the Company, and 76 (2016: 93) by Perform Media Services Limited.

	2017 No.	2016 No.
Accounts management and marketing	28	9
Administration and management	31	11
Business development and sales	14	5
Production	68	38
Technology	66	30
	<b>207</b>	<b>93</b>

The aggregate payroll costs are as follows:

	2017 £'000	2016 £'000
Aggregate wages and salaries	7,220	4,125
Social security costs	1,385	706
Pension costs	384	246
Contractors	2,074	601
Charge for long-term cash settled schemes	1,238	991
	<b>12,301</b>	<b>6,669</b>

The directors of the Company, who are considered to be the Key Management Personnel, are employees of and paid via the payroll of Perform Media Services Limited. None of the directors receive any emoluments during the period for their services to the company and received no remuneration for their services to the company

**PERFORM INVESTMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**7. Tax on loss on ordinary activities**

	2017 £'000	2016 £'000
<b>Current tax</b>		
UK current tax - prior year adjustment	120	-
Withholding Tax	88	-
<b>Tax charge for the year</b>	<b>208</b>	<b>-</b>

UK corporation tax is calculated at 19.25% (2016: 20.0%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those jurisdictions. The charge for the year can be reconciled to the loss before tax in the Income Statement as follows:

	2017 £'000	2016 £'000
Loss on ordinary activities before tax	(259,379)	(77,255)
Loss on ordinary activities multiplied by standard rate of tax – 19.25% (2016: 20.0%)	(49,930)	(15,451)

*Effects of:*

Other timing differences on which no deferred tax is recognised	6,056	105
Non-recognition of losses	43,878	15,346
Tax effect of amounts not deductible in determining taxable profit	(4)	-
Prior year adjustments	120	-
Withholding Tax	88	-
<b>Tax charge for the year</b>	<b>208</b>	<b>-</b>

A reduction in the UK corporation tax rate from 20.0% to 19.0% was effective from 1 April 2017. A further reduction to the corporation tax rate to 17.0% (effective from 1 April 2020) was substantively enacted as at 31 December 2017. This will reduce future current tax charges accordingly. The deferred tax asset in respect of UK timing differences at 31 December 2017 has been calculated based on the rate of 17.0% being the rate expected to be in force at the time the losses are anticipated to be utilised.

At the balance sheet date, the Company has unused tax losses of £307.3 million (2016: £78.5 million) available for offset against future profits.

**PERFORM INVESTMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. Intangible fixed assets**

	Research and development £'000	Technical equipment £'000	Total £'000
<b>Cost</b>			
<b>At 1 January 2017</b>	6,973	6,113	13,086
Additions	14,611	-	14,611
<b>At 31 December 2017</b>	21,584	6,113	27,697
<b>Accumulated amortisation</b>			
<b>At 1 January 2017</b>	398	679	1,077
Charge for the year	3,771	2,038	5,809
<b>At 31 December 2017</b>	4,169	2,717	6,886
<b>Net book value</b>			
<b>At 31 December 2017</b>	17,415	3,396	20,811
At 31 December 2016	10,300	1,735	12,035

Included within additions to research and development in 2017 is £3.5 million (2016: £2.3 million) of capitalised internal staff costs.

**9. Property, plant and equipment**

	Internet hosting owned £'000	Fixtures and fittings £'000	Leasehold improvements £'000	Total £'000
<b>Cost</b>				
<b>At 1 January 2017</b>	1,833	12	524	2,369
Additions	6,999	11	4,780	11,790
<b>As at 31 December 2017</b>	8,832	23	5,304	14,159
<b>Accumulated depreciation</b>				
<b>At 1 January 2017</b>	726	-	64	790
Charge for the year	2,058	4	756	2,817
<b>As at 31 December 2017</b>	2,784	4	820	3,607
<b>Net book value</b>				
<b>At 31 December 2017</b>	6,048	19	4,484	10,552
At 31 December 2016	1,107	12	460	1,579

# PERFORM INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 10. Subsidiaries

Details of the Company's subsidiaries at 31 December 2017 are as follows. Unless otherwise indicated, all ownership interests are in the ordinary share capital of the investee.

Subsidiaries	Proportion of all classes of issued share capital owned by the Company	Country of Incorporation	Principal activity	Registered Office
<b>Direct holdings of the Company</b>				
Perform Investment Brands Limited	100%	United Kingdom	Holding company	Hanover House, Plane Tree Crescent, Feltham, Middlesex, TW13 7BZ ('Hanover House')
Perform Investment Japan Holdco Limited	100%	United Kingdom	Holding company	Hanover House
Perform Investment Germany Holdco Limited	100%	United Kingdom	Holding company	Hanover House
Perform Investment North America Inc	100%	United States	Cost centre for the DAZN business in North America	1209 Orange Street, County of New Castle, Wilmington, Delaware, 19801, USA
PIMGSA LLP	100%	United Kingdom	Holding company	C/O Dorsey & Whitney (Europe) LLP, 199 Bishopsgate, London, EC2M 3UT
<b>Indirect holdings of the company</b>				
Perform Investment Japan KK	100%	Japan	Digital sports media	4F Cross Place Hamamatsucho, 1-7-6 Shibakoen, Minato-ku, Tokyo 105-0011, Japan ('Cross Place')
Perform Investment Germany GmbH	100%	Germany	Digital sports media	Münchener Str. 101, 85737 Ismaning, Germany

### 11. Trade and other receivables

Amounts falling due within one year:

	2017 £'000	2016 £'000
Trade receivables	7,383	286
Amounts due from group undertakings	71,054	10,926
Other taxes and social security	411	2,024
	<b>78,848</b>	<b>16,849</b>

## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 12. Prepayments

	2017 £'000	2016 £'000
Prepayments for acquiring rights	209,646	83,640
Other prepaid costs	1,275	1,122
	<b>210,921</b>	<b>84,762</b>

#### 13. Trade and other payables

Amounts falling due within one year:

	2017 £'000	2016 £'000
Trade payables	2,700	1,467
Amounts due to group undertakings	83,270	7,564
Other creditors and accruals	19,723	16,896
	<b>105,693</b>	<b>25,927</b>

#### 14. Borrowings

	2017 £'000	2016 £'000
Current borrowings	535,282	101,666
Non-current borrowings	167,634	167,215
	<b>702,916</b>	<b>268,881</b>

On 16 November 2015, Perform Group Financing plc, a wholly-owned subsidiary of Perform Group Limited, issued £175.0 million aggregate principal amount of 8.5% (2016: 8.5%) senior secured notes (The "Notes") due 2020. On the same date, certain members of the Group entered into a new multi-currency revolving credit facility of £50.0 million (the "RCF") (and together with the Issuance of the Notes, the "Refinancing Transactions"). The RCF incurs an interest comprised of a fixed and floating portion. The floating interest rate is determined by reference to the Libor rate.

The purpose of the Refinancing Transactions was to, amongst other things, fund the launch of the OTT Business (as defined in the Group's Offering Memorandum dated 11 November 2015 (the "Offering Memorandum")), repay the amounts drawn under, and terminate, the Old RCF and to fund contractual commitments to pay contingent consideration in respect of certain of the Group's historical acquisitions.

Perform Group Limited drew down the remaining £24.0 million under the RCF in two tranches in April and October 2017 respectively to fund the expansion of the core business, and transferred this to the Company. The RCF was subject to directly attributable fees of £1.0 million, the carrying value of the fees as at 31 December 2017 was £0.6 million (2016: £0.8 million).

Perform Group Limited ("The Group") has pledged certain assets (which are set out below) as collateral against the senior secured notes. The Group is entitled to receive all cash flows from these pledged assets. Further, there is no obligation to remit these cash flows to another entity. The pledged assets are:

- shares in certain wholly owned subsidiaries;
- property in certain wholly owned subsidiaries; and
- substantially all other assets (including bank accounts, intragroup receivables (including the OTT Business Shareholder Loan), trade receivables, patents, trademarks, service marks, designs, business names, copyrights, designs, design rights and domain names, whether registered or unregistered) in certain wholly owned subsidiaries.



## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 14. Borrowings (continued)

On 10 August 2016, the Company entered into a loan facility agreement with AI International S.á.r.l, an entity in the Access Industries group, Perform Group Limited's principal shareholder. The Company has utilised the Facility based on the funding requirements of the OTT business. The initial loan agreements were for a combined total of £100.0 million, which were subsequently amended in five extended agreements up to 2 October 2017 to take the combined total from £100.0 million to £510.0 million which is the amount outstanding at the year end.

The amount drawn down has been presented within current borrowings on the balance sheet. The Facility attracts an interest rate of 8.0% (2016: 8.0%), which is compounded annually. Any amounts outstanding in relation to the Facility will be repaid on the earlier of 12 August 2019 or upon the occurrence of certain equity conversion events. None of the principal terms of the Shareholder Loan were altered as part of the amendment and extension. Refer to the Subsequent events note 18 for further details.

AI Perform Holdings LLP exercised the option to convert the Shareholder Loan to equity of Perform Group Limited on 8 May 2018, following the investment of the Z Shareholder. On this date the Shareholder Loan held by the Company was novated from AI Perform Holdings LLP to Perform Group Limited.

#### 15. Called-up share capital

	2017 No.	2016 No.
<b>Authorised</b>		
1 ordinary shares of £1 each	1	1
<b>Allotted, called-up and fully paid</b>		
1 ordinary shares of £1 each	1	1

The Company has one class of ordinary shares which carry no right to income.

#### 16. Long term cash-based scheme

In order to ensure appropriate employee retention arrangements are in place. Perform Group Limited and its subsidiaries has put in place long-term cash-based schemes of which the company is a participant, in April 2015, April 2016 and April 2017 that will vest in April 2018, April 2019 and April 2020 respectively. The amount of the payment will be determined by the level of business performance against revenue and EBITDA targets over a three-year period and the cost of each scheme will be spread over the vesting period. As such a charge of £1.3 million has been recognised in respect of this scheme in the year to 31 December 2017 (2016: £0.9 million).

#### 17. Related party transactions

The Company has taken the available exemption under FRS 101 'Reduced Disclosure Framework' from disclosing transactions with fellow 100% held subsidiaries of the Perform Group Limited group of companies.

On 10 August 2016, Perform Investment Limited, a wholly owned subsidiary of the Group and part of the Unrestricted Group, entered into a loan facility agreement with AI International S.á.r.l, an entity in the Access Industries group, the Group's principal shareholder. Perform Investment Limited has utilised the Facility based on the funding requirements of the OTT business. The initial loan agreements were for a combined total of £100.0 million, which were subsequently amended in five extended agreements up to 2 October 2017 to take the combined total from £100.0 million to £510.0 million. The amount drawn down has been presented within current borrowings on the balance sheet. The Facility attracts an interest rate of 8%, which is compounded annually. Any amounts outstanding in relation to the Facility will be repaid on the earlier of 12 August 2019 or upon the occurrence of certain equity conversion events. None of the principal terms of the Shareholder Loan were altered as part of the amendment and extension. Refer to the Subsequent events note 18 for further details.

During the year ended 31 December 2016, the Group issued an unsecured personal loan of £370,000 to a Director of the company. The loan does not attract interest and is not repayable for a period of at least 24 months from the balance sheet date. The total loan amount was outstanding at the end of the reporting period.

There were no other related party transactions to disclose.

## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 18. Events after the balance sheet date

##### *Z Shareholder loan*

On 24 April 2018, the Z-Shareholder in Perform Group Limited provided £65.0 million to Perform Investment Limited under a new loan facility (the "Z Shareholder Loan"). The full £65.0 million of funds were drawn down on 2 May 2018. This loan was novated in consideration for £65.0 million of the £300.0 million consideration in relation to the Z share issue on the 8 May 2018.

AI Perform Holdings LLP exercised the option to convert the Shareholder Loan to equity of Perform Group Limited on 8 May 2018, following the investment of the Z Shareholder. On this date the Shareholder Loan held by the Company was novated from AI Perform Holdings LLP to Perform Group Limited.

##### *Incorporated entities*

Subsequent to the reporting period, the company incorporated the following entities:

Subsidiaries	Proportion of all classes of issued share capital owned by the Company	Country of Incorporation	Principal activity	Registered Office
<b>Direct holdings of the Company</b>				
DAZN US LLC	100%	United States	US reseller entity for the DAZN structure	United Corporate Services, Inc., 874 Walker Road, Suite C, County of Kent, Dover, Delaware, 19904, USA
Perform Investment Italy SRL	100%	Italy	Provision of local marketing and production services.	Via Manuzio 7, 20124, Milano
Perform Investment Holdco Limited	100%	United Kingdom	Holding Company	Hanover House, Plane Tree Crescent, Feltham, Middlesex TW13 7BZ
<b>Indirect holdings of the entity</b>				
Socco, LLC	50%	United States	US soccer streaming service JV with Univision	1209 Orange Street, County of New Castle, Wilmington, Delaware, 19801, US
Matchroom Boxing USA LLC	40%	United States	Launch of Matchroom in the US.	United Corporate Services, Inc., 874 Walker Rd., Suite C, Dover, Delaware 19904
PIMGSA Holdco Limited	50%	United Kingdom	Holding Company	Hanover House, Plane Tree Crescent, Feltham, Middlesex TW13 7BZ

##### *Rights commitments*

Subsequent to the year end the Company contracted for further internet content rights for a total future commitment of £1,084.1 million.

##### *New markets*

Subsequent to the end of the reporting period, the DAZN business was launched in Italy in August 2018 and the United States in September 2018.

There have been no other material post balance sheet events to disclose.

## PERFORM INVESTMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 19. Parent undertaking

The immediate parent undertaking of the Company is Perform Media Channels Limited. Perform Group Limited, a Company incorporated in the United Kingdom, is the smallest parent undertaking for which group financial statements are drawn up and of which the Company is a member.

Copies of Perform Group Limited financial statements are available from Hanover House, Plane Tree Crescent, Feltham, United Kingdom, TW13 7BZ.

The immediate holding company of Perform Group Limited is AI Perform Holdings LLP, an entity incorporated in England and Wales, which is the parent undertaking of the smallest and largest group for which consolidated financial statements are drawn up and of which Perform Group Limited is a member. AI Perform Holdings LLP and Perform Group Limited are ultimately controlled by Len Blavatnik.

The registered office of AI Perform Holdings LLP is 6th Floor, Marble Arch House, 66 Seymour Street, London, W1H 5BT. Copies of AI Perform Holdings LLP consolidated financial statements will be available from Companies House.

Copies of AI Perform Holdings LLP consolidated financial statements are available from Companies House.

#### 20. Other financial commitments

##### (a) Operating leases

As at 31 December 2017, the Company had total outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £'000	2016 £'000
Within one year	5,452	3,191
In the second to fifth years inclusive	15,370	8,472
After five years	12,873	3,486
	<b>33,695</b>	<b>15,149</b>

##### (b) Rights commitments

At 31 December 2017 the Company had total outstanding commitments to acquire internet content rights as follows:

	2017 £'000	2016 £'000
Within one year	277,650	219,617
In the second to fifth years inclusive	930,615	689,298
After five years	696,982	947,468
	<b>1,905,247</b>	<b>1,856,383</b>