

Annual report 1 January - 31 December 2017

Company reg. no. 16 70 28 46

Hunters Video ApS

Hovedvejen 56

2600 Glostrup

The annual report have been submitted and approved by the general meeting on 3 July 2018.

Sean Luxton
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

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Management's report

The executive board has today presented the annual report of Hunters Video ApS for the financial year 1 January to 31 December 2017.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Glostrup, 3 July 2018

Executive board

Sean Luxton

James Howard Liberatore

Independent auditor's report

To the shareholders of Hunters Video ApS

Auditor's report on the annual accounts

Qualified opinion

We have audited the annual accounts of Hunters Video ApS for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Except for the effects of the matter described in the paragraph "Basis for qualified opinion", it is our opinion that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

We did not participate in the observation of the year-end physical inventory check per 31 December 2017 as the date was prior to our election of auditors of the company. The company's registration system has not enabled us to convince us of the presence of the company's inventory through other audit procedures.

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Violation of the Danish Companies Act's provisions on loans to capital owners and breach of tax legislation for the withholding of withholding tax

The company has violated section 210 (1) of the Danish Companies Act, 1, by granting a loan to two of the company's capital owners. The management can become liable for the violation.

In connection with the payment, the company has not complied with the Danish tax legislation, and the management can be held responsible for this.

Violation of the Danish Act on Taxation of the Source

The company has violated the Danish Act on Taxation of the Source by not fully withholding wage tax correctly during the financial year. The management can become liable for the violation.

Violation of the Danish Companies Act's provisions on loss of the share capital

The company has lost more than 50% of the share capital, and is therefore subject to the rules of the Danish Companies Act § 119 (Selskabsloven). The management has not within the Danish Companies Act provided deadline secured that a general meeting is held and accounted for the company's financial position.

Independent auditor's report

Glostrup, 3 July 2018

PKF Munkebo Vindelev
State Authorised Public Accountants
Company reg. no. 14 11 92 99

Kasper Vindelev
State Authorised Public Accountant
MNE-nr. 29389

Company data

The company

Hunters Video ApS
Hovedvejen 56
2600 Glostrup

Company reg. no. 16 70 28 46
Established: 11 January 1993
Domicile: Glostrup Municipality
Financial year: 1 January - 31 December
25th financial year

Executive board

Sean Luxton
James Howard Liberatore

Auditors

PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab
Hovedvejen 56
2600 Glostrup

Bankers

Den Jyske Sparekasse, Borbergade 3, 7200 Grindsted

Parent company

KSE MOTV Holding, LLC
1000 Chopper Circle, Denver Colorado 80204
USA

Financial highlights

DKK in thousands.	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Profit and loss account:					
Gross loss	-5.002	-4.744	0	0	0
Results from operating activities	-14.137	-16.248	-2.576	1.163	1.820
Net financials	-1.524	-1.061	-1.702	-1.383	-1.250
Results for the year	-15.661	-17.309	-3.630	-196	546
Balance sheet:					
Balance sheet sum	26.846	30.690	36.569	33.676	32.527
Equity	-10.941	4.719	22.029	9.885	10.080

Management's review

The principal activities of the company

The object of the company is to carry on business recording and selling hunting and nature film and other activities related thereto as decided by the Board of Directors.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -15.661.000 against DKK -17.309.000 last year. The management consider the results satisfactory.

The company has lost more than 50% of the share capital, and is therefore subject to the rules of the Danish Companies Act § 119 (Selskabsloven). The management expects to reestablish the lost capital through future capital increases and earnings.

Events subsequent to the financial year

After the end of the financial year, the company is sold to a new owner. No other events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Hunters Video ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The appellation of the "Development projects in progress and prepayments for intangible fixed assets" is changed to "Rights in progress" and "Completed development projects, including patents and similar rights arising from development projects" is changed to "Completed rights" in order to give a more true and fair view of the company's assets.

Previous years' significant errors:

In previous years, the company has incorrectly recognized revaluation reserve and incorrectly not recognized a reserve for development expenditure. The errors are considered to be significant and have thus affected the true and fair view of previous years' annual reports. This has led to the restatement of comparative figures.

Monetary influence 2016:

The correction of the error has not affected the results for the year in 2016 nor the company's total assets and equity per 31 December 2016.

Monetary influence 2017:

The correction of the error has not affected the results for the year in 2017 nor the company's total assets and equity per 31 December 2017.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Accounting policies used

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

THE PROFIT AND LOSS ACCOUNT

Gross loss

The gross loss comprises the net turnover, changes in inventories, costs of sales and other external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for, sales, vehicle, premises and administration.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

THE BALANCE SHEET

Intangible fixed assets

Completed rights and rights in progress

Rights in progress comprise costs of production of movies which directly refer to the development of the movies.

Clearly defined and identifiable rights in progress are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other costs are recognised in the profit and loss account concurrently with their realisation.

Rights in progress recognised in the balance sheet are measured at cost with deduction of writedown.

After completion of the development work of the movies, capitalised rights in progress are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 8 years.

Gain and loss from the sale of completed rights and rights in progress are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-10 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Accounting policies used

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 10 years.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank.

Equity

Reserves for development costs

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Accounting policies used

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Gross loss	-5.002.498	-4.743.724
1 Staff costs	-3.034.653	-5.306.369
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	<u>-6.099.822</u>	<u>-6.198.019</u>
Operating profit	-14.136.973	-16.248.112
Other financial income	25.138	29.939
Other financial costs	<u>-1.548.818</u>	<u>-1.091.103</u>
Results before tax	-15.660.653	-17.309.276
Tax on ordinary results	<u>0</u>	<u>0</u>
Results for the year	<u>-15.660.653</u>	<u>-17.309.276</u>
Proposed distribution of the results:		
Disposed to reserves for development expenditure	2.235.104	1.375.605
Allocated from results brought forward	<u>-17.895.757</u>	<u>-18.684.881</u>
Distribution in total	<u>-15.660.653</u>	<u>-17.309.276</u>

Balance sheet 31 December

All amounts in DKK.

Assets		
Note	2017	2016
Fixed assets		
2 Completed rights	20.456.062	24.358.410
3 Acquired concessions, patents, licenses, trademarks and similar rights	1.551.238	3.411.699
4 Rights in progress	3.021.210	148.844
Intangible fixed assets in total	<u>25.028.510</u>	<u>27.918.953</u>
5 Other plants, operating assets, and fixtures and furniture	1.091.150	1.340.867
Tangible fixed assets in total	<u>1.091.150</u>	<u>1.340.867</u>
Deposits	0	18.000
Financial fixed assets in total	<u>0</u>	<u>18.000</u>
Fixed assets in total	<u>26.119.660</u>	<u>29.277.820</u>
Current assets		
Raw materials and consumables	60.000	462.471
Inventories in total	<u>60.000</u>	<u>462.471</u>
Trade debtors	107.110	258.199
6 Receivable corporate tax	22.000	0
Other debtors	370.029	251.706
7 Amounts owed by owners and management	19.667	172.350
Accrued income and deferred expenses	51.969	259.794
Debtors in total	<u>570.775</u>	<u>942.049</u>
Available funds	95.805	7.735
Current assets in total	<u>726.580</u>	<u>1.412.255</u>
Assets in total	<u>26.846.240</u>	<u>30.690.075</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		
Note	2017	2016
Equity		
8 Contributed capital	3.062.500	3.062.500
10 Reserve for development expenditure	3.610.709	1.375.605
11 Results brought forward	-17.614.494	281.263
Equity in total	-10.941.285	4.719.368
Liabilities		
Bank debts	32.855.895	22.117.963
Trade creditors	3.952.322	3.368.759
Other debts	888.373	483.985
Deferred income	90.935	0
Short-term liabilities in total	<u>37.787.525</u>	<u>25.970.707</u>
Liabilities in total	37.787.525	25.970.707
Equity and liabilities in total	<u>26.846.240</u>	<u>30.690.075</u>

12 Mortgage and securities

13 Contingencies

Notes

All amounts in DKK.

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Salaries and wages	2.649.228	4.306.748
Pension costs	218.372	361.146
Other costs for social security	26.757	77.894
Other staff costs	140.296	560.581
	<u>3.034.653</u>	<u>5.306.369</u>
Average number of employees	<u>4</u>	<u>10</u>
	<u>31/12 2017</u>	<u>31/12 2016</u>
2. Completed rights		
Cost 1 January 2017	63.216.932	55.663.140
Additions during the year	<u>0</u>	<u>7.553.792</u>
Cost 31 December 2017	<u>63.216.932</u>	<u>63.216.932</u>
Amortisation and writedown 1 January 2017	-38.858.522	-34.860.309
Amortisation for the year	<u>-3.902.348</u>	<u>-3.998.213</u>
Amortisation and writedown 31 December 2017	<u>-42.760.870</u>	<u>-38.858.522</u>
Book value 31 December 2017	<u>20.456.062</u>	<u>24.358.410</u>
3. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 January 2017	6.028.439	4.510.535
Additions during the year	<u>87.296</u>	<u>1.517.904</u>
Cost 31 December 2017	<u>6.115.735</u>	<u>6.028.439</u>
Amortisation and writedown 1 January 2017	-2.616.740	-1.223.668
Amortisation for the year	<u>-1.947.757</u>	<u>-1.393.072</u>
Amortisation and writedown 31 December 2017	<u>-4.564.497</u>	<u>-2.616.740</u>
Book value 31 December 2017	<u>1.551.238</u>	<u>3.411.699</u>

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>	
4. Rights in progress			
Cost 1 January 2017	148.844	148.844	
Additions during the year	2.872.366	0	
Cost 31 December 2017	<u>3.021.210</u>	<u>148.844</u>	
Book value 31 December 2017	<u>3.021.210</u>	<u>148.844</u>	
5. Other plants, operating assets, and fixtures and furniture			
Cost 1 January 2017	5.727.938	5.538.386	
Additions during the year	0	189.552	
Cost 31 December 2017	<u>5.727.938</u>	<u>5.727.938</u>	
Depreciation and writedown 1 January 2017	-4.387.071	-4.127.945	
Depreciation for the year	-249.717	-259.126	
Depreciation and writedown 31 December 2017	<u>-4.636.788</u>	<u>-4.387.071</u>	
Book value 31 December 2017	<u>1.091.150</u>	<u>1.340.867</u>	
6. Receivable corporate tax			
Receivable corporate tax 1 January 2017	0	0	
Paid tax on account for the present year	22.000	0	
	<u>22.000</u>	<u>0</u>	
7. Amounts owed by owners and management			
	Interest	Amounts	Debtors in
Category	rate	repaid during	total 31
		the financial	December
		year	2017
Shareholders	10,05	160.000	19.667
8. Contributed capital			
Contributed capital 1 January 2017		3.062.500	3.062.500
		<u>3.062.500</u>	<u>3.062.500</u>

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
9. Revaluation reserve		
Revaluation reserve 1 January 2017	0	1.698.977
Dissolution of revaluations of previous years	<u>0</u>	<u>-1.698.977</u>
	<u>0</u>	<u>0</u>
10. Reserve for development expenditure		
Reserve for development expenditure 1 January 2017	1.375.605	0
Provisions of the results for the year	<u>2.235.104</u>	<u>1.375.605</u>
	<u>3.610.709</u>	<u>1.375.605</u>
11. Results brought forward		
Results brought forward 1 January 2017	281.263	17.267.167
Dissolution of revaluations of previous years	0	1.698.977
Profit or loss for the year brought forward	<u>-17.895.757</u>	<u>-18.684.881</u>
	<u>-17.614.494</u>	<u>281.263</u>
12. Mortgage and securities		
<p>As security for bank debts, t.DKK 32.856, the company has provided security in company assets representing a nominal value of t.DKK 18.000. This security comprises goodwill, intangible rights, tangible assets, trade debtors, other debtors and inventory representing a book value of t.DKK 26.719 at 31 December 2017.</p>		
13. Contingencies		
Contingent assets		
<p>A deferred tax of t.DKK 7.465 has not been recognized in the balance sheet, as it is uncertain, when it can be utilized in future earnings.</p>		