

Hunters Video ApS

Hovedvejen 56, 2600 Glostrup

Company reg. no. 16 70 28 46

Annual report

2019

The annual report was submitted and approved by the general meeting on the 4 May 2020.

Sean Luxton
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the executive board has presented the annual report of Hunters Video ApS for the financial year 2019.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Glostrup, 4 May 2020

Executive board

Sean Luxton

James Howard Liberatore

Independent auditor's report

To the shareholders of Hunters Video ApS

Auditor's report on the financial statements

Opinion

We have audited the financial statements of Hunters Video ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines 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, management is 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 management either intends to liquidate the company or to cease operations, or has 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 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 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.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on 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 financial statements 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 financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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 commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Independent auditor's report

Violation of the Danish Companies Act's provisions on loans to capital owners and breach of tax legislation for the connecting 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 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 a general meeting is held and accounted for the company's financial position.

Glostrup, 4 May 2020

PKF Munkebo Vindelev

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

Kasper Vindelev
State Authorised Public Accountant
mne29389

Company information

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 27th 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Income statement:					
Gross profit	-181	-1.692	-4.744	4.804	6.229
Profit from ordinary operating activities	-181	-21.928	-16.248	-2.576	1.163
Net financials	-1.428	-1.433	-1.061	-1.702	-1.383
Net profit or loss for the year	-1.609	-23.361	-17.309	-3.630	-196
Statement of financial position:					
Balance sheet total	815	907	30.690	36.569	33.676
Investments in property, plant and equipment	0	0	190	0	0
Equity	-35.912	-34.303	4.719	22.029	9.885
Employees:					
Average number of full-time employees	0	1	10	0	0

Management commentary

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 totals DKK -1.609.000 against DKK -23.361.000 last year. Management considers the net profit or loss for the year less 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 or remission of intergroup debts.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report for Hunters Video ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Income statement

Gross loss

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

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies

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 social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible 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.

Accounting policies

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 the deduction of 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 acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities. The reserve cannot be used as dividends or for covering losses. The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Accounting policies

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with 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 receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross loss	-181.163	-1.691.684
1 Staff costs	0	-754.096
Depreciation and impairment of property, land, and equipment	0	-1.551.238
Other operating costs	0	-17.930.725
Operating profit	-181.163	-21.927.743
Other financial income	808	7.453
2 Other financial costs	-1.429.096	-1.440.934
Pre-tax net profit or loss	-1.609.451	-23.361.224
Tax on ordinary results	0	0
Net profit or loss for the year	-1.609.451	-23.361.224
Proposed appropriation of net profit:		
Transferred to other statutory reserves	0	-3.610.709
Allocated from retained earnings	-1.609.451	-19.750.515
Total allocations and transfers	-1.609.451	-23.361.224

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Non-current assets		
3 Completed development projects, including patents and similar rights arising from development projects	0	0
4 Concessions, patents, licenses, trademarks, and similar rights acquired	0	0
5 Development projects in progress and prepayments for intangible assets	0	0
Total intangible assets	<u>0</u>	<u>0</u>
6 Other fixtures and fittings, tools and equipment	0	0
Total property, plant, and equipment	<u>0</u>	<u>0</u>
Total non-current assets	<u>0</u>	<u>0</u>
Current assets		
7 Income tax receivables	0	22.000
Other receivables	50.384	0
8 Receivables from owners and management	8.275	8.557
Total receivables	<u>58.659</u>	<u>30.557</u>
Cash on hand and demand deposits	<u>756.461</u>	<u>876.461</u>
Total current assets	<u>815.120</u>	<u>907.018</u>
Total assets	<u>815.120</u>	<u>907.018</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity		
9 Contributed capital	3.062.500	3.062.500
10 Reserve for development costs	0	0
11 Retained earnings	-38.974.460	-37.365.009
Total equity	-35.911.960	-34.302.509
Liabilities other than provisions		
Payables to group enterprises	36.633.539	34.912.266
Other payables	93.541	297.261
Total short term liabilities other than provisions	36.727.080	35.209.527
Total liabilities other than provisions	36.727.080	35.209.527
Total equity and liabilities	815.120	907.018

12 Contingencies

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	0	714.907
Pension costs	0	27.057
Other costs for social security	0	12.132
	<u>0</u>	<u>754.096</u>
Average number of employees	<u>0</u>	<u>1</u>
2. Other financial costs		
Financial costs, group enterprises	1.400.530	886.198
Other financial costs	28.566	554.736
	<u>1.429.096</u>	<u>1.440.934</u>
	<u>31/12 2019</u>	<u>31/12 2018</u>
3. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2019	0	63.216.932
Disposals during the year	0	-66.609.444
Transfers	0	3.392.512
Cost 31 December 2019	<u>0</u>	<u>0</u>
Amortisation and writedown 1 January 2019	0	-42.760.870
Reversal of depreciation, amortisation and writedown, assets disposed of	0	42.760.870
Amortisation and writedown 31 December 2019	<u>0</u>	<u>0</u>
Carrying amount, 31 December 2019	<u>0</u>	<u>0</u>

Notes

All amounts in DKK.

	31/12 2019	31/12 2018
4. Concessions, patents, licenses, trademarks, and similar rights acquired		
Cost 1 January 2019	0	6.115.735
Cost 31 December 2019	0	6.115.735
Amortisation and writedown 1 January 2019	0	-4.564.497
Amortisation for the year	0	-948.055
Writedown for the year	0	-603.183
Amortisation and writedown 31 December 2019	0	-6.115.735
Carrying amount, 31 December 2019	0	0
5. Development projects in progress and prepayments for intangible assets		
Cost 1 January 2019	0	3.021.210
Additions during the year	0	371.302
Transfers	0	-3.392.512
Cost 31 December 2019	0	0
Amortisation and writedown 31 December 2019	0	0
Carrying amount, 31 December 2019	0	0
6. Other fixtures and fittings, tools and equipment		
Cost 1 January 2019	0	5.727.938
Disposals during the year	0	-5.727.938
Cost 31 December 2019	0	0
Depreciation and writedown 1 January 2019	0	-4.636.788
Reversal of depreciation, amortisation and writedown, assets disposed of	0	4.636.788
Depreciation and writedown 31 December 2019	0	0
Carrying amount, 31 December 2019	0	0

Notes

All amounts in DKK.

		<u>31/12 2019</u>	<u>31/12 2018</u>
7. Income tax receivables			
Income tax receivables 1 January 2019		22.000	22.000
Paid corporate tax concerning last year		<u>-22.000</u>	<u>-22.000</u>
Income tax receivables concerning previous years		0	0
Paid tax on account for the present year		<u>0</u>	<u>22.000</u>
		<u>0</u>	<u>22.000</u>
8. Receivables from owners and management			
		Amounts repaid during the financial year	Total receivables at 31 December 2019
Category	Interest rate	Remain- ing term	
Board of directors	10,05	6 months	1.090
			8.275
		<u>31/12 2019</u>	<u>31/12 2018</u>
9. Contributed capital			
Contributed capital 1 January 2019		<u>3.062.500</u>	<u>3.062.500</u>
		<u>3.062.500</u>	<u>3.062.500</u>
10. Reserve for development costs			
Reserve for development costs 1 January 2019		0	3.610.709
Provisions of the results for the year		<u>0</u>	<u>-3.610.709</u>
		<u>0</u>	<u>0</u>
11. Retained earnings			
Retained earnings 1 January 2019		-37.365.009	-17.614.494
Profit or loss for the year brought forward		<u>-1.609.451</u>	<u>-19.750.515</u>
		<u>-38.974.460</u>	<u>-37.365.009</u>

Notes

All amounts in DKK.

12. Contingencies

Contingent assets

A deferred tax of t.DKK 12.658 has not been recognized in the balance sheet, as it is uncertain, when it can be utilized in future earnings.