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# ***CinemaxX Danmark A/S***

Kalvebod Brygge 57, DK-1560 København V

## **Annual Report for 1 December 2016 - 30 November 2017**

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CVR No 21 25 24 92

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
24/1 2018

Torben Schön  
Chairman



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CinemaxX Danmark A/S for the financial year 1 December 2016 - 30 November 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 November 2017 of the Company and of the results of the Company operations for 2016/17.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 24 January 2018

## Executive Board

Kim Brochdorf

## Board of Directors

Carsten Andreas Horn  
Chairman

Hanna Verena Jesse

Torben Schøn

# Independent Auditor's Report

To the Shareholder of CinemaxX Danmark A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 November 2017 and of the results of the Company's operations for the financial year 1 December 2016 - 30 November 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CinemaxX Danmark A/S for the financial year 1 December 2016 - 30 November 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

# Independent Auditor's Report

ment, 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 in preparing the Financial Statements 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 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 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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 use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to 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 the disclosures, and whether the Financial Statements represent the underlying transactions and events

# Independent Auditor's Report

in a manner that gives a true and 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 internal control that we identify during our audit.

Hellerup, 24 January 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Flemming Eghoff

statsautoriseret revisor

## Company Information

### **The Company**

CinemaxX Danmark A/S  
Kalvebod Brygge 57  
DK-1560 København V

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Website: [www.Cinemaxx.dk](http://www.Cinemaxx.dk)

CVR No: 21 25 24 92  
Financial period: 1 December - 30 November  
Incorporated: 1 October 1998  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Carsten Andreas Horn, Chairman  
Hanna Verena Jesse  
Torben Schön

### **Executive Board**

Kim Brochdorf

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Financial Highlights

	2016/17	2015/16	2014/15	2014	2013
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK 11 months	Mio. DKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	66	72	71	71	71
Operating profit/loss	27	35	33	33	33
Profit/loss before financial income and expenses	27	35	33	19	25
Net financials	0	1	1	2	0
Net profit/loss for the year	21	29	26	17	19
<b>Balance sheet</b>					
Balance sheet total	78	84	81	66	84
Equity	35	36	30	17	19
Investment in property, plant and equipment	6	15	22	11	5
Number of employees	96	98	106	100	90
<b>Ratios</b>					
Return on assets	35,3 %	41,7 %	40,7 %	28,8 %	29,8 %
Solvency ratio	45,5 %	42,9 %	37,0 %	25,8 %	22,6 %
Return on equity	59,2 %	87,9 %	110,6 %	94,4 %	102,7 %

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

# **Management's Review**

## **Main activity**

## **Development in the year**

The income statement of the Company for 2016/17 shows a profit of TDKK 21,156, and at 30 November 2017 the balance sheet of the Company shows equity of TDKK 35,308.

## **The past year and follow-up on development expectations from last year**

The Company experienced a slight decrease in profits, primarily due to a small decrease in revenue and increase in depreciation.

## **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## **Unusual events**

The financial position at 30 November 2017 of the Company and the results of the activities of the Company for the financial year for 2016/17 have not been affected by any unusual events.

## **Subsequent events**

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

## Income Statement 1 December - 30 November

	Note	2016/17 TDKK	2015/16 TDKK
<b>Gross profit/loss</b>		<b>66.023</b>	<b>72.146</b>
Staff expenses	1	-30.453	-30.141
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-8.224	-6.742
<b>Profit/loss before financial income and expenses</b>		<b>27.346</b>	<b>35.263</b>
Income from investments in associates		0	1.300
Financial income		62	67
Financial expenses		-288	-215
<b>Profit/loss before tax</b>		<b>27.120</b>	<b>36.415</b>
Tax on profit/loss for the year	2	-5.964	-7.690
<b>Net profit/loss for the year</b>		<b>21.156</b>	<b>28.725</b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year	20.885	22.171
Retained earnings	271	6.554
	<b>21.156</b>	<b>28.725</b>

# Balance Sheet 30 November

## Assets

	Note	2017 TDKK	2016 TDKK
Other fixtures and fittings, tools and equipment		49.503	43.640
Property, plant and equipment in progress		2.118	9.938
<b>Property, plant and equipment</b>	3	<b>51.621</b>	<b>53.578</b>
Investments in associates	4	655	655
<b>Fixed asset investments</b>		<b>655</b>	<b>655</b>
<b>Fixed assets</b>		<b>52.276</b>	<b>54.233</b>
Finished goods and goods for resale		1.630	1.592
<b>Inventories</b>		<b>1.630</b>	<b>1.592</b>
Trade receivables		3.285	3.254
Receivables from group enterprises		164	0
Other receivables		2.146	4.448
Corporation tax		1.383	0
Prepayments	5	2.736	2.776
<b>Receivables</b>		<b>9.714</b>	<b>10.478</b>
<b>Cash at bank and in hand</b>		<b>13.932</b>	<b>17.539</b>
<b>Currents assets</b>		<b>25.276</b>	<b>29.609</b>
<b>Assets</b>		<b>77.552</b>	<b>83.842</b>

# Balance Sheet 30 November

## Liabilities and equity

	Note	2017 TDKK	2016 TDKK
Share capital		562	562
Retained earnings		13.861	13.591
Proposed dividend for the year		20.885	22.171
<b>Equity</b>	6	<b>35.308</b>	<b>36.324</b>
Provision for deferred tax	7	3.764	3.127
<b>Provisions</b>		<b>3.764</b>	<b>3.127</b>
Other payables		371	374
<b>Long-term debt</b>	8	<b>371</b>	<b>374</b>
Trade payables		10.812	9.391
Payables to group enterprises		1.235	0
Corporation tax		0	2.368
Other payables	8	6.217	9.762
Deferred income		19.845	22.496
<b>Short-term debt</b>		<b>38.109</b>	<b>44.017</b>
<b>Debt</b>		<b>38.480</b>	<b>44.391</b>
<b>Liabilities and equity</b>		<b>77.552</b>	<b>83.842</b>
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## Statement of Changes in Equity

	Share capital	Retained	Proposed	Total
	TDKK	earnings	dividend for the	TDKK
	TDKK	TDKK	year	TDKK
	TDKK	TDKK	TDKK	TDKK
Equity at 1 December	562	13.590	22.171	36.323
Ordinary dividend paid	0	0	-22.171	-22.171
Net profit/loss for the year	0	271	20.885	21.156
<b>Equity at 30 November</b>	<b>562</b>	<b>13.861</b>	<b>20.885</b>	<b>35.308</b>

# Notes to the Financial Statements

	<u>2016/17</u>	<u>2015/16</u>
	TDKK	TDKK
<b>1 Staff expenses</b>		
Wages and salaries	29.414	29.125
Pensions	303	211
Other staff expenses	736	805
	<u><b>30.453</b></u>	<u><b>30.141</b></u>
<b>Average number of employees</b>	<u><b>96</b></u>	<u><b>98</b></u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

## 2 Tax on profit/loss for the year

Current tax for the year	5.327	6.992
Deferred tax for the year	637	698
	<u><b>5.964</b></u>	<u><b>7.690</b></u>

# Notes to the Financial Statements

## 3 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK	Property, plant and equipment in progress TDKK
Cost at 1 December	76.136	9.938
Additions for the year	4.149	2.118
Disposals for the year	-255	0
Transfers for the year	9.938	-9.938
Cost at 30 November	<u>89.968</u>	<u>2.118</u>
Impairment losses and depreciation at 1 December	32.496	0
Depreciation for the year	8.224	0
Impairment and depreciation of sold assets for the year	-255	0
Impairment losses and depreciation at 30 November	<u>40.465</u>	<u>0</u>
<b>Carrying amount at 30 November</b>	<b><u>49.503</u></b>	<b><u>2.118</u></b>
Including assets under finance leases amounting to	<u>1.900</u>	<u>2.443</u>
	2017 TDKK	2016 TDKK

## 4 Investments in associates

Cost at 1 December	<u>655</u>	<u>655</u>
<b>Carrying amount at 30 November</b>	<b><u>655</u></b>	<b><u>655</u></b>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Kino.dk A/S	Copenhagen	540,000	26 %	5.932	3.753

## 5 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums etc.

## Notes to the Financial Statements

### 6 Equity

The share capital consists of 561,797 shares of a nominal value of TDKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

	2017 TDKK	2016 TDKK
<b>7 Provision for deferred tax</b>		
Provision for deferred tax at 1 December	3.127	2.429
Amounts recognised in the income statement for the year	637	698
<b>Provision for deferred tax at 30 November</b>	<b>3.764</b>	<b>3.127</b>

### 8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

#### Other payables

Between 1 and 5 years	371	374
Long-term part	371	374
Within 1 year	112	229
Other short-term payables	6.105	9.533
Short-term part	6.217	9.762
	<b>6.588</b>	<b>10.136</b>

## Notes to the Financial Statements

	<u>2017</u>	<u>2016</u>
	TDKK	TDKK
<b>9 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	36.639	36.736
Between 1 and 5 years	160.789	186.811
After 5 years	15.630	26.277
	<u>213.058</u>	<u>249.824</u>

### 10 Related parties

#### Basis

#### Controlling interest

CinemaxX Entertainment GmbH & Co.KG

Principle Shareholder

#### Consolidated Financial Statements

The Company is included in the consolidated

Name

Place of registered office

Annual Report for CinemaxX Holdings GmbH

# Notes to the Financial Statements

## 11 Accounting Policies

The Annual Report of CinemaxX Danmark A/S for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016/17 are presented in TDKK.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Annual Report for CinemaxX Holdings GmbH, the Company has not prepared a cash flow statement.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Income Statement

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

#### Revenue

Revenue from sales of tickets and concession is recognised in the income statement if the sales to this years movie performances.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Movierental, charges and consumables

Movie rental, charges and consumables include expenses to this years movie performances, charges for movies to be performed in public and consumables in the financial year.

#### Other external expenses

Other external expenses comprise rental of cinema equipment, commercials, rent and other related expenses.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Income from investments in associates

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

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

### Balance Sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures, tools and equipment 3- 20 years

Depreciation period and residual value are reassessed annually.

#### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

#### Investments in associates

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

#### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, etc.

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Financial Highlights

### Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$