CHRISTENSEN KJÆRULFF

Nimbus Film ApS

Hauchsvej 17, 1825 Frederiksberg C

Company reg. no. 24 21 86 78

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 25 ~~April~~ Maj 2019.

Bo Ehrhardt
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- 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 %.

Contents

Management's report

The executive board has today presented the annual report of Nimbus Film ApS for the financial year 1 January to 31 December 2018.

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 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

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.

Frederiksberg C, 1 April 2019

Executive board

Bo Ehrhardt

Birgitte Hald

Independent auditor's report

To the shareholder of Nimbus Film ApS

Opinion

We have audited the annual accounts of Nimbus Film ApS for the financial year 1 January to 31 December 2018, 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.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 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 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 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.

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.

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 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.

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.

Copenhagen, 1 April 2019

Christensen Kjærulff

Company reg. no. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant
mne26748

Company data

The company	Nimbus Film ApS Hauchsvej 17 1825 Frederiksberg C	
	Company reg. no.	24 21 86 78
	Established:	1 June 1999
	Domicile:	
	Financial year:	1 January - 31 December
Executive board	Bo Ehrhardt Birgitte Hald	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K	
Parent company	Nimbus Film Holding ApS	

The principal activities of the company

The Company's purpose is directly or indirectly through ownership interests in other companies to engage in film production and naturally related activities according to the Executive Board's decision. The Company owns, in whole or in part, a number of companies that produce and distribute film and administer rights.

Development in activities and financial matters

The last and 4th season of the TV series BROEN premiered on January 1st on DR1 and as expected, went as well as the previous seasons.

In spring, the company recorded a pilot for LØBEKLUBBEN, a webisode for TV2 Play, which was shown with great success on TV2 Play in July.

The company participated in two Nordic co-productions: the Norwegian feature film DARK BRANCHES and the Swedish arthouse film DECONSTRUCTION X & Y.

As part of the overall strategy of upgrading the company's production of television series, the company entered into a partnership with the French company Newen in August.

The company recorded the Icelandic film EKKO (Runar Runarson) and began filming the film VORES MAND i AMERIKA (Christina Rosendahl), which will be completed during the winter / spring 2019.

Due to delayed sales revenue on BROEN and on two new productions, the company came out with a deficit by 2018. The Executive Board has also assessed the company's film rights and decided to write them down extraordinarily by DKK 4.5 million.

The Group realized a profit before financial items of TDKK. -9,065. Profit before tax amounted to TDKK -9,700. The result after tax is TDKK. -7,128. The company's results are unsatisfactory.

The company's balance sheet total amounts to TDKK. 15,653, of which TDKK 4,509 are film rights that are amortized over 6 years. The year's investment in film rights is TDKK. 2,881.

Equity at year-end amounted to TDKK 7,589.

The expected development

In 2019, the Group expects that the strategy with a greater focus on television series and the combination of local feature films and more spectacular films for the international market will show the first results.

The company expects to greenlight a new Television series for TV2.

In addition, the company has two new series for Viaplay in development, both supported by the Public Service Pool, as well as an animated television series about the Antboy character, Antboy Animated, is in development with support from the Public Service pool and TV2 in co-production with the french company Blue Spirit.

In addition, the Group expects to record 2 Danish films this year and provide production services on a Norwegian television series.

A significant positive result for 2019 is budgeted.

Events subsequent to the financial year

No events have occurred after the end of the financial year that could materially affect the company's results.

Accounting policies used

The annual report for Nimbus Film 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).

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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

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.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and 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 raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

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, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

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.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Film rights

Film rights are measured at cost with the deduction of accumulated amortisation. The rights are depreciated over the estimated, economically useful lifespan, which is estimated to be 0-6 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 5 years.

Tangible fixed assets

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

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and re-evaluated annually. If the residual value exceeds the book value of the asset, the depreciation expires.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

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:

	Useful life
Other plants, operating assets, fixtures and furniture	3-5 years

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.

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 loss is recognised in the profit and loss account under depreciation.

Leasing contracts

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

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.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be been entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it is probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Prepayments from customers are recognised under liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

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 and in hand.

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.

According to the rules of joint taxation, Nimbus Film ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

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

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

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

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities relating to investment properties are measured at amortised cost.

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

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
	Gross profit	**6.745.269**	**4.567.796**
1	Staff costs	-6.251.622	-5.746.045
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-9.558.234	-4.093.411
	Operating profit	**-9.064.587**	**-5.271.660**
	Other financial income	275	289
2	Other financial costs	-636.299	-452.133
	Results before tax	**-9.700.611**	**-5.723.504**
3	Tax on ordinary results	2.572.822	1.068.851
	Results for the year	**-7.127.789**	**-4.654.653**
	Proposed distribution of the results:		
	Allocated from results brought forward	-7.127.789	-4.654.653
	Distribution in total	**-7.127.789**	**-4.654.653**

Balance sheet 31 December

All amounts in DKK.

Assets

Note		2018	2017
	Fixed assets		
4	Acquired concessions, patents, licenses, trademarks and similar rights	4.508.946	11.154.013
5	Goodwill	0	25.000
	Intangible fixed assets in total	4.508.946	11.179.013
6	Other plants, operating assets, and fixtures and furniture	13.300	20.900
	Tangible fixed assets in total	13.300	20.900
7	Equity investments in group enterprises	0	13.520
8	Equity investments in associated enterprises	12.500	12.500
9	Deposits	353.624	353.624
	Financial fixed assets in total	366.124	379.644
	Fixed assets in total	**4.888.370**	**11.579.557**
	Current assets		
	Trade debtors	2.191.098	4.542.678
10	Work in progress for the account of others	3.987.351	2.264.412
	Deferred tax assets	3.120.728	547.906
	Other debtors	1.421.998	107.764
	Accrued income and deferred expenses	30.323	313.521
	Debtors in total	10.751.498	7.776.281
	Other securities and equity investments	7.056	9.384
	Securities in total	7.056	9.384
	Available funds	5.900	3.496
	Current assets in total	**10.764.454**	**7.789.161**
	Assets in total	**15.652.824**	**19.368.718**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2018	2017
	Equity		
11	Contributed capital	208.000	208.000
12	Results brought forward	7.380.643	4.508.432
	Equity in total	**7.588.643**	**4.716.432**
	Liabilities		
	Bank debts	116.666	10.542.068
	Trade creditors	312.056	291.604
	Debt to group enterprises	3.718.281	106.650
	Other debts	3.917.178	3.711.964
	Short-term liabilities in total	8.064.181	14.652.286
	Liabilities in total	**8.064.181**	**14.652.286**
	Equity and liabilities in total	**15.652.824**	**19.368.718**

Notes

All amounts in DKK.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	5.546.558	4.761.192
	Pension costs	702.368	959.763
	Other costs for social security	2.696	25.090
		6.251.622	**5.746.045**
	Average number of employees	11	12
2.	**Other financial costs**		
	Other financial costs	636.299	452.133
		636.299	**452.133**
3.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	0	-1.109.850
	Adjustment for the year of deferred tax	-2.572.822	0
	Other taxes	0	40.999
		-2.572.822	**-1.068.851**
4.	**Acquired concessions, patents, licenses, trademarks and similar rights**		
	Cost 1 January 2018	60.688.672	57.017.453
	Additions during the year	2.880.566	3.671.219
	Cost 31 December 2018	**63.569.238**	**60.688.672**
	Amortisation and writedown 1 January 2018	-49.534.659	-45.473.848
	Amortisation for the year	-9.525.633	-4.060.811
	Amortisation and writedown 31 December 2018	**-59.060.292**	**-49.534.659**
	Book value 31 December 2018	**4.508.946**	**11.154.013**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
5.	**Goodwill**		
	Cost 1 January 2018	250.000	250.000
	Cost 31 December 2018	**250.000**	**250.000**
	Amortisation and writedown 1 January 2018	-225.000	-200.000
	Amortisation for the year	-25.000	-25.000
	Amortisation and writedown 31 December 2018	**-250.000**	**-225.000**
	Book value 31 December 2018	**0**	**25.000**
6.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	329.144	329.144
	Cost 31 December 2018	**329.144**	**329.144**
	Amortisation and writedown 1 January 2018	-308.244	-300.640
	Depreciation for the year	-7.600	-7.604
	Amortisation and writedown 31 December 2018	**-315.844**	**-308.244**
	Book value 31 December 2018	**13.300**	**20.900**
7.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2018	13.520	13.520
	Disposals during the year	-13.520	0
	Cost 31 December 2018	**0**	**13.520**
	Book value 31 December 2018	**0**	**13.520**
8.	**Equity investments in associated enterprises**		
	Acquisition sum, opening balance 1 January 2018	12.500	12.500
	Book value 31 December 2018	**12.500**	**12.500**

All amounts in DKK.

		31/12 2018	31/12 2017
9.	**Deposits**		
	Cost 1 January 2018	353.624	350.188
	Additions during the year	0	3.436
	Cost 31 December 2018	**353.624**	**353.624**
	Book value 31 December 2018	**353.624**	**353.624**

All amounts in DKK.

		31/12 2018	31/12 2017
10.	**Work in progress for the account of others**		
	Sales value of the production of the period	31.792.802	23.769.075
	Payments on account received	-27.805.451	-21.504.663
	Work in progress for the account of others, net	**3.987.351**	**2.264.412**
	The following is recognised:		
	Work in progress for the account of others (Current assets)	3.987.351	2.264.412
		3.987.351	**2.264.412**
11.	**Contributed capital**		
	Contributed capital 1 January 2018	208.000	208.000
		208.000	**208.000**
12.	**Results brought forward**		
	Results brought forward 1 January 2018	4.508.432	7.119.548
	Profit or loss for the year brought forward	-7.127.789	-4.654.653
	Group Contributions	10.000.000	2.043.537
		7.380.643	**4.508.432**