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Newco Scanbox Denmark ApS
Central Business Registration No 25692977
Magstræde 10A, st.th.
DK-1204 Copenhagen K

Annual report 2015

The Annual General Meeting adopted the annual report on 02.06.2016

Chairman of the General Meeting

Name: Þórir Snær Sigurjónsson

Contents

Entity details

Entity

Newco Scanbox Denmark ApS
Magstræde 10A, st.th.
DK-1204 Copenhagen K

Central Business Registration No: 25692977
Registered in: Copenhagen
Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Sigurjón Sighvatsson, formand
Þórir Snær Sigurjónsson
Christian Solomon
Nicolas Chartier
Christopher Dylan Briggs

Executive Board

Sigurjón Sighvatsson

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Vestervangsvej 6
DK-8800 Viborg

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Newco Scanbox Denmark ApS for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2016

Executive Board

Sigurjón Sighvatsson

Board of Directors

Sigurjón Sighvatsson formand	Þórir Snær Sigurjónsson	Christian Solomon
Nicolas Chartier	Christopher Dylan Briggs	

Independent auditor's reports

To the owners of Newco Scanbox Denmark ApS
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Newco Scanbox Denmark ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31.12.2015, and of the results of their operations and the Group’s cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter affecting the financial statements

Without qualifying our opinion, we draw attention to the information contained in note 1 to the financial statements from which it is evident that the valuation of the intangible assets acquired by the Entity is subject to significant uncertainty.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Viborg, 31.05.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Ove Nielsen	Peder Østergaard
State Authorised Public Accountant	State Authorised Public Accountant

CVR-nr. 33963556

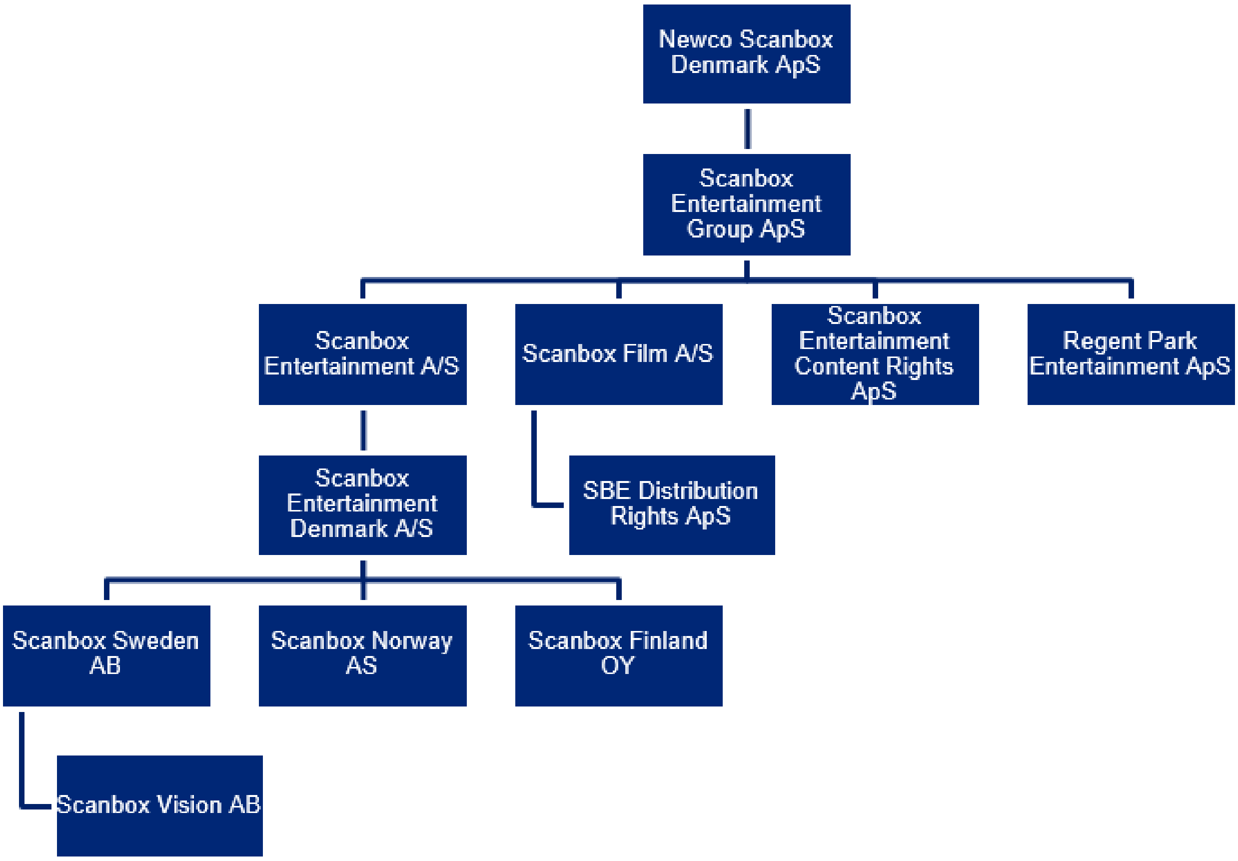
Management commentary

Financial highlights

	2015 DKK'000	2013/14 DKK'000
Key figures		
Gross profit	75.354	80.714
Operating profit/loss	25.400	33.243
Net financials	(3.304)	(4.323)
Profit/loss for the year	21.006	30.839
Total assets	233.185	215.164
Investments in property, plant and equipment	0	53
Equity	62.444	41.242
Cash flows from (used in) operating activities	63.114	43.450
Cash flows from (used in) investing activities	(82.125)	(76.662)
Cash flows from (used in) financing activities	0	11.000
Ratios		
Return on equity (%)	40,5	74,8
Equity ratio (%)	26,8	19,2

Management commentary

Consolidation



Management commentary

Primary activities

The Group's key business activity is to acquire licensing rights to feature films and similar rights related to the entertainment business for distribution in the Nordic and European markets.

Development in activities and finances

Newco Scanbox Denmark ApS is a newly established company, which has bought the shares in Scanbox Entertainment Group ApS corresponding to 100% of the invested companies' shares.

The profit after tax amounts to DKK 21,006k. Profit for the year is essentially attributable to the following circumstances:

- Amortisation of negative goodwill, DKK 8m
- Adjustment of the cost structure in order to align it with the Group's activity level

Competition and market conditions

The market for distributing films is ever changing, with the market for physical DVDs and Blu-rays (sale and rental) is declining whereas the market for various electronic distribution channels is growing. Newco Scanbox Denmark ApS currently seeks to exercise its distribution rights in these emerging markets.

Staff

The staff's qualifications and motivation constitute a key asset to Newco Scanbox Denmark ApS's business, for which reason the companies seek to recruit and retain the best qualified professionals from the entertainment industry.

Uncertainty relating to recognition and measurement

Film distribution rights are amortised on a straight line basis over an eight-year period, which is considered the average economic life of such rights. Assessing whether the individual films will be able to generate sufficient liquidity over the amortisation period to continuously recognise the impaired value of the distribution right very much depends on estimation.

Factors playing a role in future sales and hence the individual films' ability to generate liquidity are highly affected by trends among end users, for which reason any estimate of futures sales would be subject to significant uncertainty.

Risks

Newco Scanbox Denmark ApS' companies face ordinary industry-specific risks. Besides those risks, no special risks are considered to exist for the Group's activities. Management regularly seeks to hedge the risks to which the Group is exposed.

Management commentary

Liqudity and capital resources

As in previous years, the Group’s credit facilities consist of a factoring agreement with Svea subject to a credit limit of DKK 50,000k, which at present can be used only in return for invoice discounting relating to the sale of physical DVDs, cinema films and TV contracts. In addition, the Group has an overdraft facility for DKK 20,000k, the extension of which is currently being negotiated.

Management believes that the 2016 budget is realisable, takes into account the changes in market conditions and that the Group, given the existing factoring agreement and overdraft facility, holds the credit facilities necessary to realise the budget drawn up for 2016, and that the possibility of postponing payment for the distribution rights provides liquidity-wise flexibility allowing for reduction of even major budgetary deviations to the effect that the Group can continue as a going concern.

Outlook

The increasing number of visitors during the last couple of years regarding theatrical has now stagnated. There has been published more small films due to the majors television contracts, which is pushing the existing screen count. The market is generally under-screened and especially Denmark and Sweden need more cinemas – placed strategically.

The physical DVD and Blu-ray market has once again been fallen approx. 25%, which was expected. However, Scanbox only fell 20%, which relies on a better mix of products and a focus on the most important distribution channels. There are still a few years left in this market before we can expect the digital platforms to have marginalized the physical distribution. Scanbox will still be able to generate satisfactory turnover in the long term, although we will be more selective about which products to be released. Therefore we are going to cut down on local straight-to-DVD agreements to minimize these risks.

Scanbox will also intensify investment and partnership in local titles - both to reinforce the overall profile of distribution, but also to ensure the strength of a market where competition for the larger independent titles are more significant. The goal is six to eight titles a year divided between the Nordic countries. This must be ensured through close collaboration with selected manufacturers and a reinforcement of local skills.

Newco Scanbox Denmark ApS Group expects a profit before tax of DKK 20m for the financial year 2016.

Environmental performance

Referring to section 99 a of the Danish Financial Statements Act, the Group has no politics regarding social responsibility

Research and development activities

There is no actual research and development activities in the Group.

Management commentary

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the begin-

Accounting policies

ning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis

Accounting policies

of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on payables transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income is allovated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights acquired comprise licensing rights for the distribution of films and film catalogues.

Intellectual property rights acquired are measured at cost less accumulated amortisation and impairment losses. The basis of amortisation is cost with an estimated residual value after the end of useful life. Straight-line amortisation is made over a period ranging from 7 to 8 years based on an assessment of the rights’ estimated economic lives. As for licensing rights, the amortisation period cannot be longer than the remaining life of the rights concerned.

Intellectual property rights acquired etc are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired have been calculated in DKK translated from contract currency (primarily USD and EUR) according to the exchange rate at the payment date.

Accounting policies

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leashold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Inventories

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary,

Other provisions
Other provisions comprise anticipated costs of returns and loss on contracts relating to subsequent financial years. etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Accounting policies

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank debt.

Accounting policies

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Ratios reflect**
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the Entity.

Consolidated income statement for 2015

	Notes	2015 DKK	2013/14 DKK
Gross profit		**75.353.591**	**80.713.723**
Staff costs	2	(17.145.623)	(22.972.522)
Depreciation, amortisation and impairment losses		(32.808.134)	(24.498.655)
Operating profit/loss		**25.399.834**	**33.242.546**
Other financial income		1.508.036	755.540
Other financial expenses		(4.811.650)	(5.078.561)
Profit/loss from ordinary activities before tax		**22.096.220**	**28.919.525**
Tax on profit/loss from ordinary activities	3	(1.090.694)	1.919.687
Profit/loss for the year		**21.005.526**	**30.839.212**

Proposed distribution of profit/loss		
Dividend for the financial year	4.100.000	0
Retained earnings	16.905.526	30.839.212
	21.005.526	**30.839.212**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK	2013/14 DKK
Acquired intangible assets		195.776.114	156.822.728
Prepayments for intangible assets		4.122.369	3.445.927
Intangible assets	4	**199.898.483**	**160.268.655**
Other fixtures and fittings, tools and equipment		1.728.350	77.595
Property, plant and equipment	5	**1.728.350**	**77.595**
Other receivables		126.284	125.416
Fixed asset investments	6	**126.284**	**125.416**
Fixed assets		**201.753.117**	**160.471.666**
Manufactured goods and goods for resale		3.480.095	4.296.937
Inventories		**3.480.095**	**4.296.937**
Trade receivables		16.882.860	39.620.059
Other short-term receivables		1.081.210	1.678.710
Income tax receivable		0	410.655
Prepayments		5.735.157	4.263.893
Receivables		**23.699.227**	**45.973.317**
Cash		**4.252.854**	**4.421.631**
Current assets		**31.432.176**	**54.691.885**
Assets		**233.185.293**	**215.163.551**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK	2013/14 DKK
Contributed capital		123.077	123.077
Retained earnings		58.221.076	41.119.015
Proposed dividend		4.100.000	0
Equity		**62.444.153**	**41.242.092**
Provisions for deferred tax		642.813	185.947
Other provisions		11.568.806	10.963.665
Provisions		**12.211.619**	**11.149.612**
Deferred income		40.180.000	48.216.000
Non-current liabilities other than provisions	8	**40.180.000**	**48.216.000**
Current portion of long-term liabilities other than provisions	8, 9	8.036.000	8.036.000
Bank loans		45.475.651	26.633.978
Prepayments received from customers		328.159	19.669.315
Trade payables		52.174.852	46.874.905
Income tax payable		375.985	0
Other payables		11.633.628	12.864.830
Deferred income		325.246	476.819
Current liabilities other than provisions		**118.349.521**	**114.555.847**
Liabilities other than provisions		**158.529.521**	**162.771.847**
Equity and liabilities		**233.185.293**	**215.163.551**

Uncertainty relating to recognition and measurement	1
Subsidiaries	7
Unrecognised rental and lease commitments	11
Contingent liabilities	12
Mortgages and securities	13

Consolidated statement of changes in equity for 2015

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	123.077	41.119.015	0	41.242.092
Exchange rate adjustments	0	196.535	0	196.535
Profit/loss for the year	0	16.905.526	4.100.000	21.005.526
Equity end of year	**123.077**	**58.221.076**	**4.100.000**	**62.444.153**

Consolidated cash flow statement for 2015

	Notes	2015 DKK	2013/14 DKK
Operating profit/loss		25.399.834	33.242.546
Amortisation, depreciation and impairment losses		33.413.275	22.783.982
Working capital changes	10	7.194.117	(10.943.922)
Cash flow from ordinary operating activities		**66.007.226**	**45.082.606**
Financial income received		1.508.036	755.540
Financial income paid		(4.811.650)	(4.704.244)
Income taxes refunded/(paid)		410.655	2.315.979
Cash flows from operating activities		**63.114.267**	**43.449.881**
Acquisition etc of intangible assets		(80.240.808)	(54.712.844)
Acquisition etc of property, plant and equipment		(1.883.909)	(14.384)
Acquisition of enterprises		0	(26.190.000)
Other cash flows from investing activities		0	4.255.000
Cash flows from investing activities		**(82.124.717)**	**(76.662.228)**
Cash increase of capital		0	11.000.000
Cash flows from financing activities		**0**	**11.000.000**
Increase/decrease in cash and cash equivalents		**(19.010.450)**	**(22.212.347)**
Cash and cash equivalents beginning of year		(22.212.350)	0
Cash and cash equivalents end of year		**(41.222.800)**	**(22.212.347)**
Cash and cash equivalents at year-end are composed of:			
Cash		4.252.854	4.421.631
Short-term debt to banks		(45.475.651)	(26.633.978)
Cash and cash equivalents end of year		**(41.222.797)**	**(22.212.347)**

Notes to consolidated financial statements

1. Uncertainty relating to recognition and measurement

Film distribution rights are amortised on a straight line basis over an eight-year period, which is considered the average economic life of such rights. Assessing whether the individual films will be able to generate sufficient liquidity over the amortisation period to continuously recognise the impaired value of the distribution right very much depends on estimation.

Factors playing a role in future sales and hence the individual films' ability to generate liquidity are highly affected by trends among end users, for which reason any estimate of futures sales would be subject to significant uncertainty.

2. Staff costs

	2015 DKK	2013/14 DKK
Wages and salaries	13.658.612	18.649.838
Pension costs	1.803.628	2.344.149
Other social security costs	1.513.354	1.814.886
Other staff costs	170.029	163.649
	17.145.623	**22.972.522**
Average number of employees	**27**	**36**

	Remuneration of management 2015 DKK	Remuneration of management 2013/14 DKK
Total amount for management categories	4.932.973	3.223.513
	4.932.973	**3.223.513**

3. Tax on profit/loss from ordinary activities

	2015 DKK	2013/14 DKK
Tax on current year taxable income	444.079	(430.579)
Change in deferred tax for the year	655.597	(1.507.191)
Adjustment concerning previous years	(8.982)	42.407
Effect of changed tax rates	0	(24.324)
	1.090.694	**(1.919.687)**

Notes to consolidated financial statements

4. Intangible assets

	Acquired intangible assets DKK	Prepayments for intangible assets DKK
Cost beginning of year	188.568.911	3.445.927
Additions	79.564.366	676.442
Cost end of year	**268.133.277**	**4.122.369**
Amortisation and impairment losses beginning of year	(31.746.183)	0
Amortisation for the year	(40.610.980)	0
Amortisation and impairment losses end of year	**(72.357.163)**	**0**
Carrying amount end of year	**195.776.114**	**4.122.369**

Of international licensing rights to films, DKK 7.6m concerns prepayments on movies not yet delivered, for which the remaining liability amounts to DKK 23.4m.

5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	470.838
Additions	1.883.909
Cost end of year	**2.354.747**
Revaluations beginning of year	(225.134)
Revaluations end of year	**(225.134)**
Depreciation and impairment losses beginning of the year	(168.109)
Depreciation for the year	(233.154)
Depreciation and impairment losses end of the year	**(401.263)**
Carrying amount end of year	**1.728.350**

Notes to consolidated financial statements

6. Fixed asset investments

	Other receivables DKK
Cost beginning of year	125.416
Additions	868
Cost end of year	**126.284**
Carrying amount end of year	**126.284**

7. Subsidiaries

	Registered in	Corporate form	Equity interest %
Scanbox Entertainment Group ApS	Copenhagen	ApS	100,0
- Scanbox Entertainment A/S	Copenhagen	A/S	100,0
- Scanbox Entertainment Denmark A/S	Copenhagen	A/S	100,0
- Scanbox Entertainment Finland OY	Finland	OY	100,0
- Scanbox Entertainment Norway AS	Norway	AS	100,0
- Scanbox Entertainment Sweden AB	Sweden	AB	100,0
- Scanbox Entertainment Vision AB	Sweden	AB	100,0
- Scanbox Film A/S	Copenhagen	A/S	100,0
- SBE Distribution Rights ApS	Copenhagen	ApS	100,0
- Regent Park Entertainment ApS	Copenhagen	ApS	100,0
- Scanbox Entertainment Content Rights ApS	Copenhagen	ApS	100,0

8. Long-term liabilities other than provisions

	Instalments within 12 months 2015 DKK	Instalments within 12 months 2013/14 DKK	Instalments beyond 12 months 2015 DKK
Deferred income	8.036.000	8.036.000	40.180.000
	8.036.000	**8.036.000**	**40.180.000**

9. Current portion of long-term liabilities other than provisions

Negative goodwill on aquisition of investments.

Notes to consolidated financial statements

10. Change in working capital

	2015 DKK	2013/14 DKK
Increase/decrease in inventories	1.012.509	45.063
Increase/decrease in receivables	21.863.435	15.972.146
Increase/decrease in trade payables etc	(15.681.827)	(26.961.131)
	7.194.117	**(10.943.922)**

11. Unrecognised rental and lease commitments

	2015 DKK	2013/14 DKK
Commitments under rental agreements or leases until expiry	**610.777**	**1.311.982**

12. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Thor Film ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

13. Mortgages and securities

For all assets not charged, a prohibition of pledging exists.

Security has been provided to the banks on cash of DKK 746k at 31.12.2015 (2014: 744k).

A floating charge on unsecured claims, trade receivables and international film distribution rights has been provided as security for bank loans.

The carrying amount of assets charged is DKK 150,444k at 31.12.2015 (2014: 173,239k).

The trade receivables are pledged as a result of factoring. Pledged trade receivables are DKK 16,882k (2014: 39,645k).

As security for the bank debt floating charges is issued at DKK 5,000k on leasehold improvement, unsecured claims, trade receivables, manufactured goods and goods for resale, other fixtures and fittings, tools and equipment, domains etc.

Book value of pledged assets amounts DKK 33,475k at 31.12.2015 (2014: 31,580k.).

Parent income statement for 2015

	Notes	2015 DKK	2013/14 DKK
Gross loss		**(41.000)**	**(3.368)**
Income from investments in group enterprises		21.639.638	30.347.132
Other financial income from group enterprises		(100)	0
Other financial expenses		(776.736)	(755.600)
Profit/loss from ordinary activities before tax		**20.821.802**	**29.588.164**
Tax on profit/loss from ordinary activities	1	183.724	1.251.048
Profit/loss for the year		**21.005.526**	**30.839.212**
Proposed distribution of profit/loss			
Dividend for the financial year		4.100.000	0
Reserve for net revaluation according to the equity method		13.800.173	13.211.132
Retained earnings		3.105.353	17.628.080
		21.005.526	**30.839.212**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK	2013/14 DKK
Investments in group enterprises		116.892.185	103.092.012
Fixed asset investments	2	**116.892.185**	**103.092.012**
Fixed assets		**116.892.185**	**103.092.012**
Receivables from group enterprises		5.558.039	2.860.232
Deferred tax assets		179.924	0
Income tax receivable		0	1.251.048
Receivables		**5.737.963**	**4.111.280**
Current assets		**5.737.963**	**4.111.280**
Assets		**122.630.148**	**107.203.292**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK	2013/14 DKK
Contributed capital		123.077	123.077
Reserve for net revaluation according to the equity method		26.414.185	12.614.012
Retained earnings		31.806.891	28.505.003
Proposed dividend		4.100.000	0
Equity		**62.444.153**	**41.242.092**
Deferred income	3	40.180.000	48.216.000
Non-current liabilities other than provisions	4	**40.180.000**	**48.216.000**
Current portion of long-term liabilities other than provisions	4, 5	8.036.000	8.036.000
Bank loans		10.485.936	9.709.200
Payables to group enterprises		1.463.059	0
Other payables	6	21.000	0
Current liabilities other than provisions		**20.005.995**	**17.745.200**
Liabilities other than provisions		**60.185.995**	**65.961.200**
Equity and liabilities		**122.630.148**	**107.203.292**
Contingent liabilities	7		
Ownership	8		

Parent statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	123.077	12.614.012	28.505.003	0
Profit/loss for the year	0	13.800.173	3.301.888	4.100.000
Equity end of year	**123.077**	**26.414.185**	**31.806.891**	**4.100.000**

	Total DKK
Equity beginning of year	41.242.092
Profit/loss for the year	21.202.061
Equity end of year	**62.444.153**

Notes to parent financial statements

	2015 DKK	2013/14 DKK
1. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	0	(1.251.048)
Change in deferred tax for the year	(179.924)	0
Adjustment concerning previous years	(3.800)	0
	(183.724)	**(1.251.048)**

	Investments in group enter-prises DKK
2. Fixed asset investments	
Cost beginning of year	90.478.000
Cost end of year	**90.478.000**
Revaluations beginning of year	12.614.012
Exchange rate adjustments	196.535
Share of profit/loss for the year	13.603.638
Revaluations end of year	**26.414.185**
Carrying amount end of year	**116.892.185**

3. Long-term deferred income

Negative goodwill on acquisition of investments.

	Instalments within 12 months 2015 DKK	Instalments within 12 months 2013/14 DKK	Instalments beyond 12 months 2015 DKK	Outstanding after 5 years DKK
4. Long-term liabilities other than provisions				
Deferred income	8.036.000	8.036.000	40.180.000	8.036.000
	8.036.000	**8.036.000**	**40.180.000**	**8.036.000**

5. Current portion of long-term liabilities other than provisions

Negative goodwill on aquisition of investments.

Notes to parent financial statements

	2015 DKK	2013/14 DKK
6. Other short-term payables		
Other costs payable	21.000	0
	21.000	**0**

7. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013/14 for income taxes etc. for the jointly taxed companies and from 2013/14 also for obligations, if any, relating to the withholding of tax on interes, royalties and dividends for these companies.

8. Ownership

The company has registered the following shareholders holding more than 5% of the voting rights or nominal value:

Thor Film ApS, Vesterbrogade 83, 2th floor, DK-1620 Copenhagen V.
Soundford Limited, St. George's Building No. 2 Ice House Street, Hong Kong.