

Miso Film ApS

Ryesgade 3E

2200 København N

CVR No. 28097417

Annual Report 2016

12. financial year

**The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 31 May 2017**

A handwritten signature in black ink, enclosed within a hand-drawn oval shape. The signature is stylized and appears to read 'Peter Prosun Bose'.

**Peter Prosun Bose
Chairman**

Miso Film ApS

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Management's Statement

Today, The Executive Board and Board of Directors have today considered and adopted the Annual Report of Miso Film ApS for the financial year 1 January 2016 - 31 December 2016.

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 assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

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

Copenhagen, 31 May 2017

Executive Board

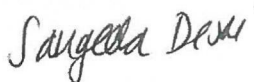


Jonas Børre Allen
Manager

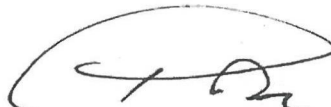


Peter Prosun Bose
Manager

Supervisory Board



Sangeeta Desai
Chairman



Peter Prosun Bose



Daniela Nicoleta Matei



Jonas Børre Allen



Sarah Gill

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Independent Auditor's Report

To the shareholders of Miso Film ApS

Opinion

We have audited the financial statements of Miso Film ApS for the financial year 01-01-2016 - 31-12-2016, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31-12-2016 and of the results of its operations for the financial year 01-01-2016 - 31-12-2016 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

Management's responsibility 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 considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

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Independent Auditor's Report

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements 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 internal control which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.


Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.


Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Hellerup, 31 May 2017

PricewaterhouseCoopers
Statsautoriseret Revisorpartnerselskab


Niels Henrik B. Mikkelsen
State Authorised Public Accountant


Martin Enderberg Lassen
State Authorised Public Accountant

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Company details

Company	Miso Film ApS Ryesgade 3E 2200 København N
Telephone	+ 45 33 337 337
email	info@misofilm.dk
Website	www.misofilm.dk
CVR No.	28097417
Date of formation	24 August 2004
Registered office	København
Financial year	1 January 2016 - 31 December 2016
Supervisory Board	Sangeeta Desai, Chairman Peter Prosun Bose Daniela Nicoleta Matei Jonas Børre Allen Sarah Gill
Executive Board	Jonas Børre Allen, Manager Peter Prosun Bose, Manager
Auditors	PricewaterhouseCoopers Statsautoriseret Revisorpartnerselskab Strandvejen 44 2900 Hellerup

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Management's Review

The Company's principal activities

The principal activities in the Company are to develop, finance and produce film- and TV-productions and any other activities related hereto.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 01-01-2016 - 31-12-2016 shows a result of DKK 5.419.594 and the Balance Sheet at 31-12-2016 a balance sheet total of DKK 16.552.795 and an equity of DKK 4.903.149.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Risks

The Company is not assessed to be exposed to any particular risks.

Environmental issues

The activities of the Company does not have material impact on the external environment. The Company makes an effort to use scanning instead of printing to avoid unnecessary waste of paper resources.

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Accounting Policies

Reporting Class

The Annual Report of Miso Film ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk

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Accounting Policies

has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

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

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available 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 and fittings, tools and equipment	5 years
Leasehold improvements	10 years

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Supply of services in progress

Supply of services in progress is measured at cost.

Prepayment and payments received on account are set off against the cost value. The individual contracts are classified as receivables when the net value is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statements as incurred.

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Accounting Policies

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Accruals and deferred income, equity and liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

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Income Statement

	Note	2016 kr.	2015 kr.
Gross profit		15.807.154	5.094.645
Employee benefits expense	1	-8.825.373	-8.836.396
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-258.063	-532.743
Profit from ordinary operating activities		6.723.718	-4.274.494
Other finance income	2	495.721	134.394
Finance expenses	3	-267.422	-314.716
Profit from ordinary activities before tax		6.952.017	-4.454.816
Tax expense on ordinary activities	4	-1.532.423	-356.863
Profit		5.419.594	-4.811.679
Proposed distribution of results			
Proposed dividend recognised in equity		4.281.212	0
Retained earnings		1.138.382	-4.811.679
Distribution of profit		5.419.594	-4.811.679

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Balance Sheet as of 31 December

	Note	2016 kr.	2015 kr.
Assets			
Fixtures, fittings, tools and equipment	5	481.048	715.915
Leasehold improvements	6	<u>199.672</u>	<u>165.373</u>
Property, plant and equipment		<u>680.720</u>	<u>881.288</u>
Fixed assets		<u>680.720</u>	<u>881.288</u>
Short-term trade receivables		3.986.962	16.786.547
Contract work in progress	7	2.039.954	0
Short-term receivables from group enterprises		0	5.406.048
Current deferred tax		41.653	1.009.273
Other short-term receivables		8.321.890	1.635.974
Deferred income		<u>348.349</u>	<u>359.994</u>
Receivables		<u>14.738.808</u>	<u>25.197.836</u>
Cash and cash equivalents		<u>1.133.267</u>	<u>1.049.205</u>
Current assets		<u>15.872.075</u>	<u>26.247.041</u>
Assets		<u>16.552.795</u>	<u>27.128.329</u>

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Balance Sheet as of 31 December

	Note	2016 kr.	2015 kr.
Liabilities and equity			
Contributed capital		125.000	125.000
Retained earnings		496.937	-641.445
Proposed dividend recognised in equity		4.281.212	0
Equity	8	4.903.149	-516.445
Lease commitments		0	296.846
Long-term liabilities other than provisions		0	296.846
Prepayments received for work in progress	9	0	14.097.456
Trade payables		4.528.079	6.115.637
Payables to group enterprises		3.436.715	3.936.796
Tax payables		1.242.999	0
Other payables		1.861.431	2.839.303
Deferred income, liabilities		371.037	358.736
Lease commitments		209.385	0
Short-term liabilities other than provisions		11.649.646	27.347.928
Liabilities other than provisions within the business		11.649.646	27.644.774
Liabilities and equity		16.552.795	27.128.329
Liabilities under off-balance sheet leases	10		
Related parties	11		

Notes

1. Employee benefits expense

	2016	2015
Wages and salaries	7.370.675	7.436.428
Post-employment benefit expense	650.669	617.819
Social security contributions	26.386	68.255
Other employee expense	777.643	713.894
	<u>8.825.373</u>	<u>8.836.396</u>
Average number of employees	<u>26</u>	<u>22</u>

2. Finance income

Debtor interest	0	2
Exchange gains	366.117	549
Interest group enterprises	129.604	133.843
	<u>495.721</u>	<u>134.394</u>

3. Finance expenses

Interest bank etc	1.093	1.283
Creditor interest	5.057	1.267
Debtor cash discounts	-152	23.741
Other interest and fees	16.507	-58
Exchange loss	218.197	275.321
Interest group enterprises	26.720	13.162
	<u>267.422</u>	<u>314.716</u>

4. Tax expense

Taxes	1.242.999	0
Deferred tax	289.424	-990.555
Adjustment of tax concerning previous years	0	1.347.418
	<u>1.532.423</u>	<u>356.863</u>

Notes

5. Fixtures, fittings, tools and equipment

	2016	2015
Cost at the beginning of the year	1.732.680	1.552.844
Addition during the year, incl. improvements	0	179.836
Disposal during the year	-142.457	0
Cost at the end of the year	1.590.223	1.732.680
Depreciation and amortisation at the beginning of the year	-1.016.765	-668.983
Amortisation for the year	-234.867	-347.782
Reversal of impairment losses and amortisation of disposed assets	142.457	0
Impairment losses and amortisation at the end of the year	-1.109.175	-1.016.765
Carrying amount at the end of the year	481.048	715.915

6. Leasehold improvements

Cost at the beginning of the year	180.280	637.790
Addition during the year, incl. improvements	57.495	180.280
Disposal during the year	0	-637.790
Cost at the end of the year	237.775	180.280
Depreciation and amortisation at the beginning of the year	-14.907	-467.736
Amortisation for the year	-23.196	-184.961
Reversal of impairment losses and amortisation of disposed assets	0	637.790
Impairment losses and amortisation at the end of the year	-38.103	-14.907
Carrying amount at the end of the year	199.672	165.373

7. Contract work in progress

Sales value of work	97.080.330	29.365.165
Progress billings on contracts in progress	-95.040.376	-43.462.621
Net value of contract work	2.039.954	-14.097.456

Progress billings are divided as follows in the balance sheet:

Net receivables	2.039.954	0
Net liabilities	0	-14.097.456
	2.039.954	-14.097.456

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Notes

8. Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividend	Alt
Equity, beginning balance	125.000	-641.445	0	-516.445
Net profit/loss for the year	0	1.138.382	0	1.138.382
Dividend paid	0		4.281.212	4.281.212
	<u>125.000</u>	<u>496.937</u>	<u>4.281.212</u>	<u>4.903.149</u>

The share capital has remained unchanged for the last 5 years.

9. Contract work in progress

	2016	2015
Selling price of production for the period	0	29.365.165
Payments received on account	0	-43.462.621
	<u>0</u>	<u>-14.097.456</u>
Prepayments received recognised in debt	0	-14.097.456
	<u>0</u>	<u>-14.097.456</u>

10. Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

	2016	2015
Within 1 year	209.385	200.445
Between 1 and 5 years	0	203.987
	<u>209.385</u>	<u>404.432</u>
Lease obligations, period of non-terminability 14 months	1.334.840	2.449.200
	<u>1.334.840</u>	<u>2.449.200</u>

11. Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company FremantleMedia Group Limited