

Miso Film ApS

Ryesgade 3E, st.

2200 København N

CVR No. 28097417

Annual Report 2018

14. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 31 May 2019



Morten Gerner
Chairman

Miso Film ApS

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Miso Film ApS

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 2018 - 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

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

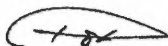
We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2019

Executive Board



Jonas Børre Allen
Manager



Peter Prosun Bose
Manager

Board of Directors

Andrea Scrosat



Peter Prosun Bose

Daniela Nicoleta Matei



Jonas Børre Allen

Sarah Gill



Independent Auditor's Report

To the Shareholders of Miso Film ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Miso Film ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material 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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 31 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant
Mne16675

Martin Enderberg Lassen
State Authorised Public Accountant
Mne40044

Miso Film ApS

Company details

Company	Miso Film ApS Ryesgade 3E, st. 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 2018 - 31 December 2018
Supervisory Board	Andrea Scrosat 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 CVR-no.: 33771231

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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 1 January 2018 - 31 December 2018 shows a result of DKK 13.770.981 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 67.391.001 and an equity of DKK 16.829.027.

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.

Miso Film ApS

Accounting Policies

Reporting Class

The Annual Report of Miso Film ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

Changes in accounting policies

During the financial year, the company reclassified personnel costs in the income statement from the "gross profit" item to "staff expenses". The comparison figures are corrected. The change do not affect the profit, equity or the financial position of the company. However, gross profit were affected by TDKK 41.517 (2017: 37.077).

Apart from this, accounting policies 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.

Miso Film ApS

Accounting Policies

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 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. In 2018 the Company has reclassified personnel cost from other external cost in the P/L to personnel cost. The 2017 figures have been corrected.

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

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Accounting Policies

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

Contract work 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.

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.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

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.

Miso Film ApS**Income Statement**

	Note	2018 kr.	2017 kr.
Gross profit		75.938.719	70.235.270
Employee benefits expense	1	-57.146.767	-47.512.073
Depreciation		-249.763	-215.561
Profit from ordinary operating activities		18.542.189	22.507.636
Other finance income	2	205.286	721.468
Finance expences	3	-878.927	-1.188.983
Profit from ordinary activities before tax		17.868.548	22.040.121
Tax expense on ordinary activities	4	-4.097.567	-4.940.182
Profit		13.770.981	17.099.939
Proposed distribution of results			
Proposed dividend recognised in equity		0	14.663.882
Retained earnings		13.770.981	2.436.057
Distribution of profit		13.770.981	17.099.939

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Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Assets			
Fixtures, fittings, tools and equipment	5	510.328	659.529
Leasehold improvements	6	239.487	273.497
Property, plant and equipment		<u>749.815</u>	<u>933.026</u>
Fixed assets		<u>749.815</u>	<u>933.026</u>
Short-term trade receivables		26.935.370	6.964.133
Short-term receivables from group enterprises		8.632.666	9.103.523
Other short-term receivables		1.651.833	10.315.952
Deferred income		106.604	392.904
Receivables		<u>37.326.473</u>	<u>26.776.512</u>
Cash and cash equivalents		<u>29.314.713</u>	<u>64.731.505</u>
Current assets		<u>66.641.186</u>	<u>91.508.017</u>
Assets		<u>67.391.001</u>	<u>92.441.043</u>

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Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Liabilities and equity			
Contributed capital		125.000	125.000
Retained earnings		16.704.027	2.932.994
Proposed dividend recognised in equity		0	14.663.882
Equity	8	<u>16.829.027</u>	<u>17.721.876</u>
Provisions for deferred tax	9	8.712	22.965
Provisions		<u>8.712</u>	<u>22.965</u>
Prepayments received for work in progress	7	35.582.519	52.427.210
Trade payables		5.262.957	12.145.336
Payables to group enterprises		273.020	235.126
Tax payables		3.945.817	4.840.217
Other payables		1.394.296	1.156.784
Deferred income, liabilities		4.094.653	3.891.529
Short-term liabilities other than provisions		<u>50.553.262</u>	<u>74.696.202</u>
Liabilities other than provisions within the business		<u>50.553.262</u>	<u>74.696.202</u>
Liabilities and equity		<u>67.391.001</u>	<u>92.441.043</u>
Liabilities under off-balance sheet leases	10		
Related parties	11		

Notes

1. Employee benefits expense

	2018	2017
Wages and salaries	53.241.808	44.314.190
Post-employment benefit expense	2.738.007	1.924.336
Social security contributions	164.564	148.161
Other employee expense	1.002.388	1.125.386
	<u>57.146.767</u>	<u>47.512.073</u>
Average number of employees	<u>62</u>	<u>53</u>

2. Finance income

Exchange gains	57.932	626.393
Interest group enterprises	147.354	95.075
	<u>205.286</u>	<u>721.468</u>

3. Finance expenses

Interest bank etc	71.969	53.975
Creditor interest	1.832	4.539
Other interest and fees	577	1.088
Exchange loss	749.571	1.120.586
Interest group enterprises	54.978	8.795
	<u>878.927</u>	<u>1.188.983</u>

4. Tax expense

Current Taxes	3.936.911	4.875.564
Deferred tax	-5.347	64.618
Adjustment of tax concerning previous years	166.003	0
	<u>4.097.567</u>	<u>4.940.182</u>

Notes

5. Fixtures, fittings, tools and equipment

	2018	2017
Cost at the beginning of the year	1.508.294	1.590.223
Addition during the year, incl. improvements	66.552	448.541
Disposal during the year	0	-530.470
Cost at the end of the year	1.574.846	1.508.294
Depreciation and amortisation at the beginning of the year	-848.765	-1.109.175
Amortisation for the year	-215.753	-170.060
Reversal of impairment losses and amortisation of disposed assets	0	430.470
Impairment losses and amortisation at the end of the year	-1.064.518	-848.765
Carrying amount at the end of the year	510.328	659.529

6. Leasehold improvements

Cost at the beginning of the year	340.102	237.775
Addition during the year, incl. improvements	0	102.327
Cost at the end of the year	340.102	340.102
Depreciation and amortisation at the beginning of the year	-66.605	-38.103
Amortisation for the year	-34.010	-28.502
Impairment losses and amortisation at the end of the year	-100.615	-66.605
Carrying amount at the end of the year	239.487	273.497

7. Contract work in progress

Cost value of work	58.284.473	130.004.297
Progress billings on contracts in progress	-93.866.992	-182.431.507
Net value of contract work	-35.582.519	-52.427.210

Progress billings are divided as follows in the balance sheet:

Net receivables		0
Net liabilities	-35.582.519	-52.427.210
	-35.582.519	-52.427.210

Notes

8. Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividend	Total
Equity, beginning balance	125.000	2.932.994	14.663.882	17.721.876
Net profit/loss for the year	0	13.770.981	0	13.770.981
Dividend paid	0	0	-14.663.882	-14.663.882
	<u>125.000</u>	<u>16.703.975</u>	<u>0</u>	<u>16.828.975</u>

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

9. Provisions for deferred tax

	2018	2017
Deferred taxes	8.712	22.965
Balance at the end of the year	<u>8.712</u>	<u>22.965</u>

10. Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

	2018	2017
Within 1 year	605.976	591.211
Between 1 and 5 years		224.970
	<u>605.976</u>	<u>816.181</u>
Lease obligations, period of non-terminability	605.976	816.181
	<u>605.976</u>	<u>816.181</u>

The Company is jointly taxed with the Danish companies in the Bertelsmann AG Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

11. Related parties

Consolidated Financial Statements

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