

SAM Productions ApS

Lille Strandstræde 20 C, 2., 1254 Copenhagen

Company reg. no. 35 83 93 48

Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 14 June 2018.

Meta Louise Foldager Sørensen
Chairman of the meeting

Notes to users of the English version of this document:

- 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 %.

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Management's report

The board of directors and the executive board have today presented the annual report of SAM Productions ApS for the financial year 1 January to 31 December 2017.

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 as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

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.

Copenhagen, 8 June 2018

Executive board

Meta Louise Foldager Sørensen Søren Sveistrup Adam Price

Board of directors

Meta Louise Foldager Sørensen Didier Lupfer Søren Sveistrup
Chairman

Adam Price

Independent auditor's report

To the shareholders of SAM Productions ApS

Opinion

We have audited the annual accounts of SAM Productions ApS for the financial year 1 January to 31 December 2017, 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 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 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.

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:

Independent auditor's report

- 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.

Independent auditor's report

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, 8 June 2018

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Arne Sørensen

State Authorised Public Accountant
MNE-nr. 27757

Company data

The company

SAM Productions ApS
Lille Strandstræde 20 C, 2.
1254 Copenhagen

Company reg. no. 35 83 93 48
Established: 25 April 2014
Domicile: Copenhagen
Financial year: 1 January - 31 December

Board of directors

Meta Louise Foldager Sørensen, Chairman
Didier Lupfer
Søren Sveistrup
Adam Price

Executive board

Meta Louise Foldager Sørensen
Søren Sveistrup
Adam Price

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Subsidiary

SAM le Francais S.A., France

Management's review

The principal activities of the company

The entity's aim is to develop and produce TV-Programs, series and movies, and buy and sell rights within the same line of business.

Development in activities and financial matters

The gross profit for the year is T.DKK 10.982 against T.DKK 22.451 last year. The results from ordinary activities after tax are T.DKK 810 against T.DKK 1.251 last year. The management consider the results satisfactory.

Accounting policies used

The annual report for SAM Productions 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).

Significant errors

During the financial years 2014 and 2015 the company received loans from an investor which has been recognized on the equity as grants.

The Company comparative figures have been adjusted and the adjustment has been taken to the equity. As a consequence equity has been negatively adjusted by T.DKK 3.726 and other debt has been increased by 3.726. There are no changes in profit and loss account or in the total assets.

The profit and loss account

Gross profit

The gross profit comprises the revenue, Production cost, other operating income, and external costs.

Revenue

Income comprising the sale of television productions for large television broadcasters in Denmark and abroad is recognised in the profit and loss account if delivery and risk 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.

Contract work in progress concerning construction contracts is recognised concurrently in the net turnover with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Production cost

Production cost comprise cost, including depreciation and amortisation and salaries, incurred in generating revenue for the year. Such costs include direct and indirect costs, wages and salaries rent and leases and depreciation on production equipment.

Accounting policies used

Other external costs

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 on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

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 investment in group enterprise is recognised in the financial year where the dividend is declared.

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 balance sheet

Completed development projects

Completed projects include completed TV-series rights and comprise costs of the rights.

Completed projects costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown

Acquired intangible fixed assets

Acquired intangible fixed assets include TV-series and other rights.

Series rights include investment in co-productions and TV-series rights. The rights are recognized as intangible assets at the time when the control of activity exceeds.

Accounting policies used

Series rights are amortized according to a revenue-based method over the period in which it is expected to generate revenue in the relevant market and the media in question will not exceed 5 years. Writedowns are made considering the individual's individual future earnings opportunities.

Gain and loss from the sale of acquired intangible fixed assets as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Acquired intangible fixed assets costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

Projects under development

Ongoing projects comprise costs, salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable ongoing projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Ongoing projects costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

Tangible fixed assets

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

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

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.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture 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 losses are recognised in the profit and loss account as other operating income or other operating expenses.

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.

Financial fixed assets

Equity investment in group enterprise

Equity investment in group enterprise is measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

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.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

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.

Accounting policies used

Work in progress for the account of others

Contract work in progress is measured at the value of materials cost, direct wages and salaries and indirect production costs.

Prepayments from customers are recognised under liabilities.

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.

Equity

Share premium

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

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.

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.

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

Accounting policies used

Accrued expenses and deferred income

Prepayments are measured at costs and received comprise external and public financing of TV-series projects under construction.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Gross profit	10.982.458	22.450.760
1 Staff costs	-9.368.916	-20.418.870
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	<u>-541.605</u>	<u>-22.800</u>
Operating profit	1.071.937	2.009.090
Other financial income	52.263	89.996
2 Other financial costs	<u>-74.175</u>	<u>-93.729</u>
Results before tax	1.050.025	2.005.357
3 Tax on ordinary results	<u>-240.000</u>	<u>-754.657</u>
Results for the year	<u>810.025</u>	<u>1.250.700</u>
Proposed distribution of the results:		
Allocated to results brought forward	<u>810.025</u>	<u>1.250.700</u>
Distribution in total	<u>810.025</u>	<u>1.250.700</u>

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Assets		
Fixed assets		
4 Completed development projects	449.666	0
5 Acquired intangible fixed assets	175.000	225.000
6 Projects under development	26.507.780	36.422.661
Intangible fixed assets in total	<u>27.132.446</u>	<u>36.647.661</u>
7 Other plants, operating assets, and fixtures and furniture	118.270	93.179
Tangible fixed assets in total	<u>118.270</u>	<u>93.179</u>
8 Equity investment in group enterprise	37.576	37.576
9 Deposits	398.445	185.676
Financial fixed assets in total	<u>436.021</u>	<u>223.252</u>
Fixed assets in total	<u>27.686.737</u>	<u>36.964.092</u>
Current assets		
Trade debtors	7.980.796	4.477.895
10 Work in progress for the account of others	178.776	0
Amounts owed by group enterprises	247.800	349.428
Deferred tax assets	1.694.000	1.934.000
Other debtors	1.499.731	1.337.555
Accrued income and deferred expenses	236.583	78.623
Debtors in total	<u>11.837.686</u>	<u>8.177.501</u>
Available funds	<u>21.912.361</u>	<u>20.793.295</u>
Current assets in total	<u>33.750.047</u>	<u>28.970.796</u>
Assets in total	<u>61.436.784</u>	<u>65.934.888</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2017</u>	<u>2016</u>
Equity			
11	Contributed capital	66.668	66.664
12	Share premium account	0	0
13	Results brought forward	12.080.782	9.415.453
	Equity in total	<u>12.147.450</u>	<u>9.482.117</u>
 Liabilities			
	Bank debts	12.754	9.982
10	Prepayments received from customers concerning work in progress for the account of others	0	3.857.239
	Trade creditors	3.566.142	2.170.512
	Other debts	4.632.952	8.703.484
	Accrued expenses and deferred income	41.077.486	41.711.554
	Short-term liabilities in total	<u>49.289.334</u>	<u>56.452.771</u>
	Liabilities in total	<u>49.289.334</u>	<u>56.452.771</u>
	 Equity and liabilities in total	 <u>61.436.784</u>	 <u>65.934.888</u>

14 Contingencies

Notes

All amounts in DKK.

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Salaries and wages	16.291.525	31.413.033
Pension costs	580.580	947.535
Other costs for social security	207.958	222.986
Other costs for social security	826.702	1.394.891
Work for own account, recognised under assets	-8.537.849	-13.559.575
	<u>9.368.916</u>	<u>20.418.870</u>
Average number of employees	<u>21</u>	<u>38</u>
2. Other financial costs		
Other financial costs	<u>74.175</u>	<u>93.729</u>
	<u>74.175</u>	<u>93.729</u>
3. Tax on ordinary results		
Tax of the results for the year, parent company	0	0
Adjustment for the year of deferred tax	240.000	454.998
Adjustment of tax for previous years	0	299.659
	<u>240.000</u>	<u>754.657</u>
4. Completed development projects		
Cost 1 January 2017	0	0
Transfers	<u>899.332</u>	<u>0</u>
Cost 31 December 2017	<u>899.332</u>	<u>0</u>
Amortisation and writedown 1 January 2017	0	0
Amortisation for the year	-449.666	0
Writedown for the year	<u>0</u>	<u>0</u>
Amortisation and writedown 31 December 2017	<u>-449.666</u>	<u>0</u>
Book value 31 December 2017	<u>449.666</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
5. Acquired intangible fixed assets		
Cost 1 January 2017	225.000	225.000
Cost 31 December 2017	<u>225.000</u>	<u>225.000</u>
Amortisation and writedown 1 January 2017	0	0
Amortisation for the year	0	0
Writedown for the year	-50.000	0
Amortisation and writedown 31 December 2017	<u>-50.000</u>	<u>0</u>
Book value 31 December 2017	<u>175.000</u>	<u>225.000</u>
6. Projects under development		
Cost 1 January 2017	36.422.661	4.063.576
Transfers	-899.332	0
Additions during the year	31.507.203	34.398.025
Disposals during the year	-40.522.752	-2.038.940
Cost 31 December 2017	<u>26.507.780</u>	<u>36.422.661</u>
Amortisation and writedown 1 January 2017	0	0
Writedown for the year	0	0
Amortisation and writedown 31 December 2017	<u>0</u>	<u>0</u>
Book value 31 December 2017	<u>26.507.780</u>	<u>36.422.661</u>
7. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2017	143.388	100.947
Additions during the year	67.030	42.441
Cost 31 December 2017	<u>210.418</u>	<u>143.388</u>
Depreciation and writedown 1 January 2017	-50.209	-27.409
Depreciation for the year	-41.939	-22.800
Depreciation and writedown 31 December 2017	<u>-92.148</u>	<u>-50.209</u>
Book value 31 December 2017	<u>118.270</u>	<u>93.179</u>

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
8. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January 2017	<u>37.576</u>	<u>37.576</u>
Cost 31 December 2017	<u>37.576</u>	<u>37.576</u>
Book value 31 December 2017	<u>37.576</u>	<u>37.576</u>

The financial highlights for the enterprise according to the latest approved annual report

	Share of ownership	Equity	Results for the year	Book value at SAM Productions ApS
SAM le Francais S.A., France	100 %	318.564	201.426	37.576

9. Deposits		
Cost 1 January 2017	<u>398.445</u>	<u>185.676</u>
Cost 31 December 2017	<u>398.445</u>	<u>185.676</u>
Book value 31 December 2017	<u>398.445</u>	<u>185.676</u>

10. Work in progress for the account of others		
Sales value of the production of the period	46.001.510	54.609.598
Payments on account received	<u>-45.822.734</u>	<u>-58.466.837</u>
Work in progress for the account of others, net	<u>178.776</u>	<u>-3.857.239</u>

The following is recognised:

Work in progress for the account of others (Current assets)	178.776	0
Work in progress for the account of others (Prepayments received)	<u>0</u>	<u>-3.857.239</u>
	<u>178.776</u>	<u>-3.857.239</u>

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
11. Contributed capital		
Contributed capital 1 January 2017	66.664	66.662
Cash capital increase	<u>4</u>	<u>2</u>
	<u>66.668</u>	<u>66.664</u>

The share capital consists of 50.001 A-shares of a nominal value of DKK 1 and 16.667 B-shares of a nominal value of DKK 1. The B-shares have special dividend rights.

12. Share premium account		
Share premium account 1 January 2017	0	0
Share premium account for the year	1.855.304	5.580.923
Share premium account, resolution	<u>-1.855.304</u>	<u>-5.580.923</u>
	<u>0</u>	<u>0</u>

13. Results brought forward		
Results brought forward 1 January 2017	9.415.453	2.583.830
Share premium account, resolution	1.855.304	5.580.923
Profit or loss for the year brought forward	<u>810.025</u>	<u>1.250.700</u>
	<u>12.080.782</u>	<u>9.415.453</u>

14. Contingencies		
Contingent liabilities		
		DKK in thousands
Rent liabilities		<u>457</u>
Contingent liabilities in total		<u>457</u>