

SAM Productions ApS

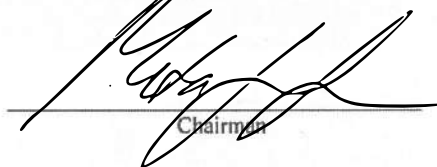
**Lille Strandstræde 20 C, 2.
1254 Copenhagen K**

CVR no. 35 83 93 48

Annual report 2015

(2. financial year)

The annual report was presented and
adopted at the annual general meeting of
the Company on 9 June 2016



Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of SAM Productions ApS for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the result of the Company's operations for the year 1 January - 31 December 2015.

We recommend that the annual report be adopted at the annual general meeting.

Copenhagen, 9 June 2016

Executive Board


Meta Louise Foldager Sorensen


Soren Sveistrup


Adam Price

Board of Directors


Meta Louise Foldager Sorensen
Chairman


Romain Louis Bessi


Soren Sveistrup


Adam Price



KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
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Independent auditor's report

To the Shareholders of SAM Productions ApS

We have audited the financial statements of SAM Productions ApS for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 that Management determines is necessary to enable the preparation of 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 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement; including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of 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 Company'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 evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.



Independent auditor's report

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 9 June 2016

KPMG
Statsautoriseret Revisionspartnerselskab


Jacob Eehman
State Authorised Public Accountant

Company details

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

Telephone: 31 37 41 37

CVR no.: 35 83 93 48
Financial Period: 1 January - 31 December
Registered. office: Copenhagen

Board of Directors Meta Louise Foldager Sørensen, Chairman
Romain Louis Bessi
Søren Sveistrup
Adam Price

Executive Board Meta Louise Foldager Sørensen
Søren Sveistrup
Adam Price

Auditors KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen

Financial statements 1 January - 31 December

Accounting policies

The annual report of SAM Productions ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

Changes in accounting policies

The Company has changed its accounting policies regarding contracts work in progress, so that work in progress are measured at the value of materials used, direct wages and salaries and indirect production costs. Previously, contract work in progress was measured at the selling price of work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the individual contract work

The changes in accounting policies were made in order to use the same accounting principles used by some of the shareholders. The changed accounting policies has not affected the financial statements for 2015 or the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reclassification of financial statement items

Contract work in progress in 2014 have been reclassified to development project compared to previous financial years.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statement Act, the Company's revenue is not stated.

Gross profit comprises revenue, production costs and other operating income.

Revenue

Income comprising the sale of television productions for large television broadcasters in Denmark and abroad is recognised in the income statement when delivery of risk to the buyer have taken place and provided that the income can be reliably measured and it is expected to be received.

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

Financial statements 1 January - 31 December

Accounting policies

Production costs

Production costs comprise costs, 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.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, management, office premises expenses and depreciation.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

Development projects

Development projects comprise development of new film rights.

Development projects comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Financial statements 1 January - 31 December

Accounting policies

Development projects that are clearly defined and identifiable, where the sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

In-house produced film rights are amortised according to a revenue-based method over the period during which they are expected to generate income.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

Investments in subsidiaries

Investment in subsidiaries are measured at cost. Write-down is made to the lower of cost and recoverable amount.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which corresponds to nominal value. Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made.

Contract work in progress

Work in progress is measured at the value of materials uses, direct wages and salaries and indirect production costs.

Financial statements 1 January - 31 December

Accounting policies

Equity - Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year (declaration date) is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provision

Other liabilities are measured at net realisable value.

Prepayments received

Prepayments received comprise external and public financing of projects. Prepayments are measured at costs.

Financial statements 1 January - 31 December

Income statement

	Note	2015 DKK	2014 DKK
Administrative expenses	2	<u>-7,625,257</u>	<u>-3,635,097</u>
Operating loss		-7,625,257	-3,635,097
Financial income	3	15,428	9,291
Financial costs	4	<u>-14,558</u>	<u>-6</u>
Loss before tax		-7,624,387	-3,625,812
Tax on profit/loss for the year		<u>1,786,669</u>	<u>901,988</u>
Loss for the year		<u>-5,837,718</u>	<u>-2,723,824</u>
Retained earnings		<u>-5,837,718</u>	<u>-2,723,824</u>
		<u>-5,837,718</u>	<u>-2,723,824</u>

Financial statements 1 January - 31 December

Balance Sheet at sheet

	Note	2015 DKK	2014 DKK
Assets			
Development projects		4,288,577	459,648
Intangible assets	5	<u>4,288,577</u>	<u>459,648</u>
Other fixtures and fittings, tools and equipment		73,538	93,727
Property, plant and equipment	6	<u>73,538</u>	<u>93,727</u>
Investments in subsidiaries	7	37,576	37,576
Fixed asset investments		<u>37,576</u>	<u>37,576</u>
Non-current assets		<u>4,399,691</u>	<u>590,951</u>
Trade receivables		1,053,015	6,217
Contract work in progress		2,300,604	0
Receivables from group companies		355,580	98,882
Other receivables		1,121,380	543,732
Deferred tax asset		2,688,657	901,988
Prepayments		13,357	0
Receivables		<u>7,532,593</u>	<u>1,550,819</u>
Cash at bank and in hand		<u>7,270,668</u>	<u>1,890,427</u>
Total current assets		<u>14,803,261</u>	<u>3,441,246</u>
Total assets		<u>19,202,952</u>	<u>4,032,197</u>

Financial statements 1 January - 31 December

Balance sheet at

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Equity and liabilities			
Share capital		66,662	66,660
Retained earnings		<u>6,309,716</u>	<u>2,847,502</u>
Total equity	8	<u>6,376,378</u>	<u>2,914,162</u>
Prepayments received from customers		8,113,672	845,513
Trade payables		693,116	50,483
Payables to group companies		3,724,352	143,750
Other payables		<u>295,434</u>	<u>78,289</u>
Short-term debt		<u>12,826,574</u>	<u>1,118,035</u>
Total liabilities		<u>12,826,574</u>	<u>1,118,035</u>
Total equity and liabilities		<u>19,202,952</u>	<u>4,032,197</u>
Main activity	1		
Contingent liabilities	9		
Related parties and ownership	10		

Financial statements 1 January - 31 December

Notes

1 Main activity

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

	<u>2015</u>	<u>2014</u>
	DKK	DKK
2 Staff costs		
Wages and salaries	5,440,611	2,174,582
Pensioner	32,320	0
Other social security costs	29,937	2,576
Other staff costs	401,602	81,453
	<u>5,904,470</u>	<u>2,258,611</u>

3 Financial income

Other financial income	10,789	9,291
Exchange adjustments	4,639	0
	<u>15,428</u>	<u>9,291</u>

4 Financial costs

Other financial costs	6,463	6
Exchange loss	8,095	0
	<u>14,558</u>	<u>6</u>

Financial statements 1 January - 31 December

Notes

5 Intangible assets

	Development projects
	DKK
Cost at 1 January 2015	459,648
Additions for the year	<u>3,828,929</u>
Cost at 31 December 2015	<u>4,288,577</u>
Carrying amount at 31 December 2015	<u>4,288,577</u>

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January 2015	<u>100,947</u>
Cost at 31 December 2015	<u>100,947</u>
Impairment losses and depreciation at 1 January 2015	7,220
Depreciation for the year	<u>20,189</u>
Impairment losses and depreciation at 31 December 2015	<u>27,409</u>
Carrying amount at 31 December 2015	<u>73,538</u>

Financial statements 1 January - 31 December

Notes

	<u>2015</u>	<u>2014</u>
	DKK	DKK
7 Investments in subsidiaries		
Cost at 1 January 2015	<u>37,576</u>	<u>37,576</u>
Cost at 31 December 2015	<u>37,576</u>	<u>37,576</u>
Carrying amount at 31 December 2015	<u>37,576</u>	<u>37,576</u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Share capital</u>	<u>Votes and ownership</u>
SAM le Francais SA	France	231.865	100%

Financial statements 1 January - 31 December

Notes

8 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2015	66,660	2,847,501	2,914,161
Cash capital increase	2	7,437,033	7,437,035
Grant	0	1,862,900	1,862,900
Profit/loss for the year	0	-5,837,718	-5,837,718
Equity at 31 December 2015	66,662	6,309,716	6,376,378

Equity

The share capital consists of 50,001 A-shares and 16.661 B-shares of a nominal value of DKK 1.

The B-shares have special dividend rights. Apart from the foregoing rights, no shares carry any special rights.

The changes in the share capital since the foundation of the company can be specified as follows :

	2015	2014
	DKK	DKK
Share capital at 1 January 2015	66,660	50,001
Cash capital increase	2	16,659
Share capital at 31 December 2015	66,662	66,660

9 Contingent liabilities

The remaining term of the agreements amounts to DKK 303.580.

Financial statements 1 January - 31 December

Notes

10 Related parties and ownership

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Søren Sveistrup Holding ApS, DK-Hellerup
Price Fiktion ApS, DK-Hellerup
Meta Film Holding ApS, DK-Copenhagen
Studiocanal SA, FR-Issy-Les-Moulineaux Cedex