

ITV Studios Denmark Holdings ApS

Rådhuspladsen 4
1550 København V

CVR no 39 09 96 67

Annual report 2020

The annual report was presented and approved at the
Company's annual general meeting

on 30. juni 20 21

Kristoffer Hansen

chairman of the annual general meeting

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Statement by the Executive Board

The Board of Executives have today discussed and approved the annual report of ITV Studios Denmark Holdings ApS for the financial year 1 January – 31 December 2020.


The annual report has been 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 assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 30th June 2021
Executive Board:


Lisa Perrin


Duncan Walker

Independent auditor's report

To the shareholders of ITV Studios Denmark Holdings ApS

Opinion

We have audited the financial statements of ITV Studios Denmark Holdings ApS for the financial year 1 January – 31 December 2020, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. 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 assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

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 rules and 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 that 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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

Independent auditor's report

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.

Statement on the 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30th June 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Kenn Wolff Hansen
State Authorised
Public Accountant (MNE-no. 30154)

Management's review

Principal activities

The main activity of the Company is to act as a holding company.

Development in the Company's activities and financial position

There have been no significant changes in the Company's activities and financial conditions in 2020.

Uncertainty regarding recognition and measurement

At 31 December 2020 there is an uncertainty in relation to measurement of the shares in the associated company Apple Tree Production ApS. We refer to note 2 in the financial statements.

Expectations for 2021

As a consequence of the COVID-19 situation, the associated company, Apple Tree production ApS, is experiencing delays in activities

Events after the balance sheet date

No significant changes have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross loss	3	-18,966	-10,530
Financial expenses		-10	-23
Loss before tax		-18,976	-10,553
Tax on loss for the year	4	4,174	135,966
Profit/Loss for the year		<u>-14,802</u>	<u>125,413</u>
Proposed profit/loss appropriation			
Retained earnings		-14,802	125,413
		<u>-14,802</u>	<u>125,413</u>

Balance sheet

DKK	Note	2020	2019
ASSETS			
Fixed assets			
Financial assets	5		
Equity investment in associated enterprises		8,180,200	8,180,200
		<u>8,180,200</u>	<u>8,180,200</u>
Total fixed assets		<u>8,180,200</u>	<u>8,180,200</u>
Current assets			
Receivables from group entities		140,140	115,576
Deferred tax asset		0	20,389
Cash at bank and in hand		2,221	1,197
Total current assets		<u>142,361</u>	<u>137,163</u>
TOTAL ASSETS		<u>8,322,561</u>	<u>8,317,363</u>

Balance sheet

DKK	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Share capital		60,000	60,000
Retained earnings		7,623,337	7,638,139
Total equity		<u>7,683,337</u>	<u>7,698,139</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Payables to group entities		598,224	600,724
Other payables		41,000	18,500
		<u>639,224</u>	<u>619,224</u>
Total liabilities other than provisions		<u>639,224</u>	<u>619,224</u>
TOTAL EQUITY AND LIABILITIES		<u>8,322,561</u>	<u>8,317,363</u>
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		

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Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2020	60,000	7,638,139	7,698,139
Loss for the year	0	-14,802	-14,802
Equity at 31 December 2020	<u>60,000</u>	<u>7,623,337</u>	<u>7,683,337</u>

Notes

1 Accounting policies

The annual report of ITV Studios Denmark Holdings ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities, with selected of certain provisions from reporting class C under the Danish Financial Statements Act.

The Accounting policies applied are consistent with prior years.

Basis of recognition and measurement

Income is recognised in the income statement con-currently with realisation, including recognition of value adjustments for financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, write down, provisions and reversals which are due to changes in estimated amounts previously recognised in the income statement are recognised in the income statement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which evidence matters existing at the balance sheet date.

Income statement

Gross profit

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

Gross profit comprises revenue, direct costs and other external expenses.

Other external expenses

Other external expenses include costs relating to administration and similar expenses.

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 transactions in foreign currencies, etc.

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year.

The company is subject to the Danish legislation concerning compulsory joint taxation with United Production ApS.

Balance sheet

Financial fixed assets

Equity investments in associated enterprises

Shares in associated companies are measured at cost price. Under circumstances where the cost exceeds the net realisable value the value is written down to the lower realisable value.

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 payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Other liabilities are measured at amortized cost normally equal to net realisable value.

Notes

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

2 Uncertainty regarding recognition and measurement

The company has in 2018 invested DKK 8,180,200 in the associated company Apple Tree Production ApS. Apple Tree Production ApS is still in a start-up phase and consequently the company has generated losses and at 31 December 2020 the equity in Apple Tree Production is negative. Management has consequently evaluated the value of the investment in order to identify if any impairment indicators exist at 31 December 2020. Based on forecasts and budgets for Apple Tree Production for the next years, taken contracts and ongoing customer work into account, it is Management assessment, that Apple Tree Production ApS within the next few years will be profit making and therefore Management has concluded, that no impairment write-down should be made on the investment at 31 December 2020.

However, the valuation is based on future events and expectations to future earnings and therefore there is an uncertainty regarding recognition and measurement if the budgets and forecasts are not met. Management will at year-end 2020 perform an updated impairment test of the shares.

3 Personal expenses

The company has no employees in 2020 (2019: 0 employees)

4 Tax on loss for the year

DKK	2020	2019
Regulation of tax regarding prior years	0	-133,644
Regulation of deferred tax	-4,174	-2,322
	<u>-4,174</u>	<u>-135,966</u>

5 Equity investments in associated enterprises

DKK

Cost at 1 January 2020	8,180,200
Cost at 31 December 2020	<u>8,180,200</u>
Revaluation at 1 January 2020	0
Revaluation in 2020	<u>0</u>
Revaluation at 31 December 2020	0
Carrying amount value at 31 December 2020	<u>8,180,200</u>

Associated companies can be specified as follows:

DKK	<u>Ownership</u>	<u>Equity at 31.12.2020</u>	<u>Profit of the year</u>
Apple Tree Production ApS, Copenhagen	<u>25 %</u>	<u>-3,164,243</u>	<u>52,029</u>
Total		<u>-3,164,243</u>	<u>52,029</u>

6 Contingent assets, liabilities and other financial obligations

The Company has not undertaken contingent liabilities

The Company is jointly taxed with other Danish companies in the ITV Group. Together with the other companies in the joint taxation, the Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation.

7 Related parties and ownership

The Company is a part of the consolidated financial statements of ITV PLC.

The consolidated financial statements of ITV PLC can be obtained at www.itvplc.com

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:

ITV Studios Limited