

SubReader Holding ApS

Sankt Gertruds Stræde 5
1129 København K

CVR no. 40 63 31 89

Annual report 2019

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

17 June 2020



chairman

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SubReader Holding ApS
Annual report 2019
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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 SubReader Holding ApS for the financial period 22 June – 31 December 2019.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

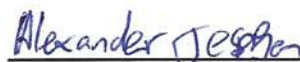
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial period 22 June – 31 December 2019.

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 17 June 2020
Executive Board:


Anders Bredgaard Thuesen
CEO


Alexander Gram Jensen

Board of Directors:


Torben Christian Garde Due
Chairman

Christian Styrbæk Lillelund


FRATRÅDT
Niels Askær

The general meeting has decided that the financial statements for the coming year will not be audited. Management confirms that the Company fulfills the requirements to be exempt of audit.



Auditor's report on the compilation of financial statements

To the Management of SubReader Holding ApS

We have compiled the financial statements of SubReader Holding ApS for the financial period 22 June – 31 December 2019 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with the independence and other ethical requirements of the IESBA Codes of Ethics, which is based on fundamental principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 17 June 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

SubReader Holding ApS

Annual report 2019
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Management's review

Company details

SubReader Holding ApS
Sankt Gertruds Stræde 5
1129 København K

CVR no.: 40 63 31 89
Financial period: 22 June – 31 December

Board of Directors

Torben Christian Garde Due, Chairman
Christian Styrbæk Lillelund
Niels Askær

Executive Board

Anders Bredgaard Thuesen, CEO
Alexander Gram Jensen

Assistance with preparation of annual report

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

SubReader holding ApS serves the purpose of owning and controlling all shares in the subsidiary SubReader ApS.

Profit/loss for the year (including comparison with forecasts previously announced)

The Company's income statement for 2019 shows a profit of DKK 0. Equity in the Company's balance sheet at 31 December 2019 was DKK 2,100,000.

Events after the balance sheet date

The subsidiary SubReader ApS has unfortunately been affected by the COVID-19 crisis, as cinemas in all markets have been closed down for several months. This has pushed the timeline for new cinema locations to be added to the platform. However, the increased usage of streaming services has impacted the usage of the platform from existing users positively.

Financial statements 22 June – 31 December

Income statement

DKK	Note	22/6-31/12 2019
Gross profit	0	
Tax on profit/loss for the year		<u>0</u>
Profit for the year		<u>0</u>
Proposed profit appropriation		
Reserve for development costs		347,997
Retained earnings		<u>-347,997</u>
		<u>0</u>

Financial statements 22 June – 31 December

Balance sheet

DKK	Note	<u>31/12 2019</u>
ASSETS		
Fixed assets		
Intangible assets		
Completed development projects		<u>693,608</u>
Investments		
Investments in associates		<u>2,100,000</u>
Total fixed assets		<u>2,793,608</u>
Current assets		
Receivables		
Corporation tax		<u>98,152</u>
Total current assets		<u>98,152</u>
TOTAL ASSETS		<u><u>2,891,760</u></u>

Financial statements 22 June – 31 December

Balance sheet

DKK	Note	<u>31/12 2019</u>
EQUITY AND LIABILITIES		
Equity		
Contributed capital		60,250
Reserve for development costs		347,997
Retained earnings		<u>1,691,753</u>
Total equity		<u>2,100,000</u>
Provisions		
Provisions for deferred tax		<u>98,152</u>
Total provisions		<u>98,152</u>
Liabilities other than provisions		
Non-current liabilities other than provisions		
Payables to group entities		<u>693,608</u>
Total liabilities other than provisions		<u>693,608</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,891,760</u></u>

Financial statements 22 June – 31 December

Statement of changes in equity

DKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity at 22 June 2019	50,000	0	0	50,000
Capital increase	10,250	0	2,039,750	2,050,000
Transferred over the profit appropriation	0	347,997	-347,997	0
Equity at 31 December 2019	60,250	347,997	1,691,753	2,100,000

Financial statements 22 June – 31 December

Notes

1 Accounting policies

The annual report of SubReader Holding ApS for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Income statement

Gross profit

Pursuant to Section 32 of the Financial Statements Act, the Company has decided only to disclose gross profit.

Tax on profit/loss for the year

Tax for the year comprises current 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 is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

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 is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs and costs for internally generated rights are recognised in the income statement in the acquisition year.

Development projects that are clearly defined and identifiable, where the technical feasibility, 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

Financial statements 22 June – 31 December

Notes

1 Accounting policies (continued)

Equity investments in associates

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Financial statements 22 June – 31 December

Notes

1 Accounting policies (continued)

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. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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 in the same legal tax entity. 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

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.