SAM Productions ApS

Lille Strandstræde 20 C, 3., 1254 København K

Company reg. no. 35 83 93 48

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 14 July 2025.

Meta Louise Foldager Sørensen
Chairman of the meeting

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Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of SAM Productions ApS for the financial year 1 January - 31 December 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and 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, 14 July 2025

Executive board

Meta Louise Foldager Sørensen Adam Price

Board of directors

Meta Louise Foldager Sørensen Clément Pierre Marie Buet Adam Price
Chairman

Independent auditor's report

To the Shareholders of SAM Productions ApS

Opinion

We have audited the financial statements of SAM Productions ApS for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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 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, we conclude that 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 Management's Review.

Copenhagen, 14 July 2025

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

Arne Sørensen
State Authorised Public Accountant
mne27757

Peter Leth Keller
State Authorised Public Accountant
mne47790

Company information

The company	SAM Productions ApS Lille Strandstræde 20 C, 3. 1254 København K	
	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 Clément Pierre Marie Buet Adam Price	
Executive board	Meta Louise Foldager Sørensen Adam Price	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Subsidiaries	Friheden II ApS, Copenhagen Elvira ApS, Copenhagen SAM Productions Norge AS, Norway, Oslo SAM Productions Sverige AB, Sweden, Stockholm	

Management´s review

Description of key activities of the company

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

Significant changes in the company's activities and financial matters

There have been no significant changes in activities and financial matters.

The gross profit for the year totals DKK 40.513 thousand against DKK 25.194 thousand last year. Loss from ordinary activities after tax totals DKK -5.430 thousand against DKK -11.827 thousand last year. Management considers the net loss for the year unsatisfactory and is caused by the conditions under which the Company and the industry have worked for a number of years.

Management has analysed the Company's ability to continuing its business and despite the historical losses, the analyse confirm that the Company are able to service its investments and creditors as they fall due for payment.

Treasury shares

As part of a strategic adjustment of the company's ownership structure, the company has, during the financial year, carried out purchases of 16.667 own shares, equal to 25% of the share capital for a total price of DKK 3.000 thousand.

The purpose of these transactions has been to consolidate the shareholder base and support a more appropriate and flexible ownership structure that contributes to the company's long-term development and value creation.

The Board assesses that the repurchases were carried out at a time and under conditions that support the company's financial and strategic interests. Management believes that the adjustment of the ownership structure contributes to ensuring the necessary stability and flexibility to realize the company's future objectives and growth strategy.

Events occurring after the end of the financial year

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2024	2023
	Gross profit	**40.512.559**	**25.193.797**
1	Staff costs	-42.002.879	-37.406.089
	Depreciation, amortisation, and impairment	-3.918.837	-833.672
	Operating profit	**-5.409.157**	**-13.045.964**
	Income from investments in group enterprises	-5.454	-156.579
2	Other financial income from group enterprises	103.567	102.908
	Other financial income	120.876	178.635
	Impairment of financial assets	-196.731	-122.479
3	Other financial expenses	-43.214	-3.250
	Pre-tax net profit or loss	**-5.430.113**	**-13.046.729**
4	Tax on net profit or loss for the year	0	1.220.000
	Net profit or loss for the year	**-5.430.113**	**-11.826.729**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-5.430.113	-11.826.729
	Total allocations and transfers	**-5.430.113**	**-11.826.729**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2024	2023
	Non-current assets		
5	Completed development of Tv-series	0	0
6	Tv-series under development	25.092.407	20.681.270
	Total intangible assets	25.092.407	20.681.270
7	Other fixtures, fittings, tools and equipment	406.592	622.117
	Total property, plant, and equipment	406.592	622.117
8	Investments in group enterprises	28.392	35.043
9	Deposits	1.029.879	898.838
	Total investments	1.058.271	933.881
	Total non-current assets	**26.557.270**	**22.237.268**
	Current assets		
	Trade receivables	12.846.105	10.158.875
10	Work in progress for the account of others	0	51.471
	Receivables from group enterprises	7.656	638.103
	Income tax receivables	312.695	296.000
	Other receivables	1.818.738	1.242.328
	Prepayments	589.874	264.248
	Total receivables	15.575.068	12.651.025
	Cash at bank and on hand	7.396.487	12.102.262
	Total current assets	**22.971.555**	**24.753.287**
	Total assets	**49.528.825**	**46.990.555**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		2024	2023
	Equity		
11	Contributed capital	66.668	66.668
	Reserve for development expenditure	3.056.015	4.731.311
	Retained earnings	4.943.384	11.698.201
	Total equity	**8.066.067**	**16.496.180**
	Provisions		
	Provisions for investments in group enterprises	615.908	617.105
	Total provisions	**615.908**	**617.105**
	Liabilities other than provisions		
	Bank loans	66.816	55.168
12	Prepayments received from customers	22.722.731	17.714.972
10	Prepayments received from customers concerning work in progress for the account of others	4.350.458	3.385.337
	Trade payables	5.713.666	2.972.884
	Payables to shareholders and management	6.793.277	3.726.450
	Other payables	1.199.902	2.022.459
	Total short term liabilities other than provisions	40.846.850	29.877.270
	Total liabilities other than provisions	**40.846.850**	**29.877.270**
	Total equity and liabilities	**49.528.825**	**46.990.555**

13 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2023	66.668	4.137.073	24.119.168	28.322.909
Profit or loss for the year brought forward	0	0	-11.826.729	-11.826.729
Transferred to results brought forward from Reserve for development cost	0	594.238	-594.238	0
Equity 1 January 2024	66.668	4.731.311	11.698.201	16.496.180
Profit or loss for the year brought forward	0	0	-5.430.113	-5.430.113
Transferred to results brought forward from Reserve for development cost	0	-1.675.296	1.675.296	0
Purchase of treasury shares	0	0	-3.000.000	-3.000.000
	66.668	**3.056.015**	**4.943.384**	**8.066.067**

Notes

All amounts in DKK.

		2024	2023
1.	**Staff costs**		
	Salaries and wages	39.706.348	35.322.110
	Pension costs	1.676.550	1.429.362
	Other costs for social security	619.981	654.617
		42.002.879	**37.406.089**
	Average number of employees	55	50
2.	**Other financial income from group enterprises**		
	Interest, Friheden 2 ApS	7.031	8.042
	Interest, Elvira ApS	96.536	94.866
		103.567	**102.908**
3.	**Other financial expenses**		
	Other financial costs	43.214	3.250
		43.214	**3.250**
4.	**Tax on net profit or loss for the year**		
	Adjustment for the year of deferred tax	0	-1.220.000
		0	**-1.220.000**
5.	**Completed development of Tv-series**		
	Cost 1 January 2024	2.463.858	2.463.858
	Cost 31 December 2024	**2.463.858**	**2.463.858**
	Amortisation and write-down 1 January 2024	-2.463.858	-2.463.858
	Amortisation and write-down 31 December 2024	**-2.463.858**	**-2.463.858**
	Carrying amount, 31 December 2024	**0**	**0**

All amounts in DKK.

		31/12 2024	31/12 2023
6.	**Tv-series under development**		
	Cost 1 January 2024	21.928.886	20.677.742
	Additions during the year	9.741.425	3.993.136
	Disposals during the year	-1.838.332	-2.741.992
	Cost 31 December 2024	**29.831.979**	**21.928.886**
	Amortisation and write-down 1 January 2024	-1.247.616	-1.111.407
	Writedown for the year	-3.491.956	-136.209
	Amortisation and write-down 31 December 2024	**-4.739.572**	**-1.247.616**
	Carrying amount, 31 December 2024	**25.092.407**	**20.681.270**

Management assessment of impairment:

Management has reviewed the Tv-series under development for impairment as of 31 December 2024. The Management has considered the following facts: the Company has a strong and dedicated focus on development projects, the Company has shown an annually revenue growth, despite the current conflict between the broadcasters, the Danish Producers' Association and Create Danmark, the outlook for the Company is still towards profitability and positive cash flow and there is no change of events for the intangibles in question. Accordingly Management concludes that the positive outlook gives no evidence for additional impairment losses as of 31 December 2024.

7.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2024	4.824.229	4.649.556
	Additions during the year	211.356	326.395
	Disposals during the year	0	-151.722
	Cost 31 December 2024	**5.035.585**	**4.824.229**
	Depreciation and write-down 1 January 2024	-4.202.112	-3.504.649
	Depreciation for the year	-426.881	-697.463
	Depreciation and write-down 31 December 2024	**-4.628.993**	**-4.202.112**
	Carrying amount, 31 December 2024	**406.592**	**622.117**

All amounts in DKK.

		31/12 2024	31/12 2023
8.	**Investments in group enterprises**		
	Cost 1 January 2024	2.615.043	2.580.000
	Additions during the year	0	35.043
	Cost 31 December 2024	**2.615.043**	**2.615.043**
	Writedown, opening balance 1 January 2024	-3.197.105	-3.040.526
	Results for the year before goodwill amortisation	-221.426	-279.058
	Ajustment to equity method	215.972	122.479
	Writedown 31 December 2024	**-3.202.559**	**-3.197.105**
	Transferred to provisions	615.908	617.105
	Set off against debtors and provisions for liabilities	**615.908**	**617.105**
	Carrying amount, 31 December 2024	**28.392**	**35.043**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, SAM Productions ApS
Friheden II ApS, Copenhagen	100 %	-870.133	-32.820	0
Elvira ApS, Copenhagen	100 %	-2.779.925	-118.182	0
SAM Productions Norge AS, Norway, Oslo	100 %	-44.532	-50.471	0
SAM Productions Sverige AB, Sweden, Stockholm	100 %	28.392	-20.321	28.392
		-3.666.198	**-221.794**	**28.392**

9.	**Deposits**		
	Cost 1 January 2024	898.838	1.240.918
	Additions during the year	131.041	98
	Disposals during the year	0	-342.178
	Cost 31 December 2024	**1.029.879**	**898.838**
	Carrying amount, 31 December 2024	**1.029.879**	**898.838**

All amounts in DKK.

		31/12 2024	31/12 2023
10.	**Work in progress for the account of others**		
	Sales value of the production of the period	56.901.202	23.990.569
	Payments on account received	-61.251.660	-27.324.435
	Work in progress for the account of others , net	**-4.350.458**	**-3.333.866**
	The following is recognised:		
	Work in progress for the account of others (Current assets)	0	51.471
	Work in progress for the account of others (Prepayments received)	-4.350.458	-3.385.337
		-4.350.458	**-3.333.866**

When measuring the company's work in progress, estimates of the degree of completion and the expected earnings are included. The projects can run over several financial years and are not always completed before the presentation of the financial statement. As projects are completed, positive or negative deviations may occur in relation to their recognised estimates.

11. Contributed capital

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.

As part of a strategic adjustment of the company’s ownership structure, the company has, during the financial year, carried out purchases of 16.667 own shares, equal to 25% of the share capital for a total price of DKK 3.000.000.

The purpose of these transactions has been to consolidate the shareholder base and support a more appropriate and flexible ownership structure that contributes to the company’s long-term development and value creation.

The Board assesses that the repurchases were carried out at a time and under conditions that support the company’s financial and strategic interests. Management believes that the adjustment of the ownership structure contributes to ensuring the necessary stability and flexibility to realize the company’s future objectives and growth strategy.

12. Prepayments received from customers

Prepayments received from customers regarding external and public financing of Tv-series projects under construction. At the time of presentation of the financial statement, it is management's expectation that prepayments received from customers are due within 5 years, but points out that there is uncertainty associated with the determination of the due date.

All amounts in DKK.

13. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	30
Rent liabilities	1.340
Total contingent liabilities	**1.370**

The company has submitted a statement of support to the company's subsidiaries, Elvira ApS and Friheden II ApS. The company has stated that it will support the subsidiaries future operations and investments and provide the necessary liquidity to ensure that the companies can pay their obligations as they fall due. The statement of support is valid until 1 July 2026.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for SAM Productions ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to include a statement of changes in equity and a fixed assets note comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, production costs, work in progress, own work capitalised, other operating income, and external costs.

The revenue includes sales of Tv-series, royalties and other related services for productions of Tv-series and movies.

As an interpretation for the recognition of revenue, the company has chosen IAS 11 for the sale of Tv-series productions for external revenue and IAS 18 for other revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Production costs comprise costs incurred in generating revenue for the year.

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Completed development of Tv-series

Completed development of Tv-series includes completed Tv-series rights. The rights are recognised as Completed development of Tv-series when the Tv-series under development is completed.

Completed development of Tv-series 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 Completed development of Tv-series 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

Completed development of Tv-series recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

Tv-series under development

Tv-series under development 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 productions. 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.

Tv-series under development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

Tv-series under development is transferred to Completed development of Tv-series when the productions of the Tvseries is completed.

Property, plant and equipment

Property, plant and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with 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, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group 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. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

cash at bank and on hand.

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Equity

Treasury shares

Purchase prices and sales prices of own shares are recognised directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively.

The dividend of own shares is recognised directly in equity under retained earnings.

Reserve for development costs

Reserve for development costs includes recognized development costs with deduction of prepayments received from external and public financing of Tv-series projects under construction and less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

As administration company, SAM Productions ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Prepayments received from customers regarding external and public financing of Tv-series projects under construction and are measured at amortised cost which usually corresponds to the nominal value.

Other liabilities concerning payables to suppliers, group enterprises, payables to shareholders and management and other payables are measured at amortised cost which usually corresponds to the nominal value.