
UNITED INTERNATIONAL PICTURES ApS

CVR-no.: 30759028

Hauchsvej 13
1825 Frederiksberg C

Annual report
1 January 2022 - 31 December 2022

**The annual report has been presented and
approved on the company's general meeting
the**

30/03/2023

Niels Henrik Larsen
Chairman of general meeting

Content

Company informations

Company informations

Reports

Statement by Management

Auditor's Reports

Independent auditor's report

Management's Review

Management's Review

Financial statement

Accounting Policies

Income statement

Balance sheet

Statement of changes in equity

Disclosures

Company information

**Reporting
company**

UNITED INTERNATIONAL PICTURES ApS

Hauchsvej 13
1825 Frederiksberg C

CVR-no.: 30759028

Reporting
period: 01/01/2022 - 31/12/2022**Auditor**

EY Godkendt Revisionspartnerselskab

Dirch Passers Allé 36

2000 Frederiksberg

DK Denmark

CVR-no.: 30700228

P-number: 1013415044

Statement by Management

Today, the Executive Board discussed and approved the annual report for United International Pictures Aps (the Company) for the financial year 1 January - 31 December 2022.

The annual report is 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 financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

In our opinion, the Management's review includes a fair review of the matters dealt with in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Frederiksberg, the 30/03/2023

Management

David Andrew Childs

Michael Berg

Independent auditor's report

To the shareholder of United International Pictures ApS

Opinion

We have audited the financial statements of United International Pictures ApS for the financial year 1 January - 31 December 2022, which comprise 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

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 IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of the 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 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 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 the financial statements.

INDEPENDENT AUDITOR'S REPORT

As part of an audit conducted in accordance with ISAs and 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 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 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on 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 Statements Act. We did not identify any material misstatement of the Management's review.

Frederiksberg, the 30/03/2023

EY Godkendt Revisionspartnerselskab
CVR-no.: 30700228

Peter Jensen, mne33246
State Authorised Public Accountant

Management's Review

Business activities and mission

The Company's principal business activity is distributing films to the Danish cinemas.

Business review

The Company's income statement for the year ended 31 December 2022 shows a profit of DKK 3.171.496 (after tax a profit of DKK 2.473.965) and the balance sheet at 31 December 2022 shows an equity of DKK 4.962.962.

The Management proposes to pay a dividend of DKK 3.000.000 for 2022.

The Company released 33 titles in 2022 to the Danish cinemas and "Top Gun Maverick" and "Minions 2" were the biggest successes.

Postbalance sheet events

No post balance sheet events have occurred, which would materially affect the assessment of the Company's financial position as at 31 December 2022.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. There have been options of certain rules in reporting class C.

The accounting policies are consistent with those of last year.

Reporting currency

The annual report is presented in Danish kroner.

Currency translation

Transactions in foreign currency are translated into Danish kroner at the exchange rate at the date of transaction.

Monetary items in foreign currency are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income Statement

Gross Margin

With reference to § 32 of the Danish Financial Statements Act Film rental income, Producers share, Other operating income and Other external expenses are grouped in the item Gross margin.

The Company records film rental income etc. based on invoiced rentals. Film rental income is accrued in the period it covers. Film rental income is measured after deduction of all kinds of rebates. VAT and fees charged on behalf of third parties are also deducted.

License and royalty expenses to film producers are calculated according to license agreements, and are recognised as the transactions are carried through.

Other operating income includes items of secondary nature relative to the entity's core business.

Other external expenses includes expenses to distribution, sales, advertising, administration, facilities etc.

Cost to release film include translation and early release advertising is charged to expenses as incurred.

Depreciation and write-downs

Depreciation and write-downs include depreciation and write-downs of property, plant and equipment. The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the individual assets.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The depreciation periods, measured by reference to the historic cost are as follows:

| | Depreciation-period (years) |
|--|-----------------------------|
| Buildings | 50 |
| Other fixtures and fittings, tools and equipment | 3-10 |

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in the accounting estimates.

Gains and losses on the disposal of fixed assets are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Net financials

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses.

Tax

Tax for the year consists of the actual tax based on the taxable income. The taxable income is consistent with guidelines previously issued by the Tax authorities. In the balance sheet, provisions are made for current tax payable less prepaid tax payments.

Balance sheet

Property, plant and equipment

Property, plant and equipment comprise land and buildings and other fixtures, fittings, tools and equipment. On initial recognition, items of property, plant and equipment are measured at cost.

Land and buildings, plant and machinery and fixture and fittings, tools and equipment are measured at cost less accumulated depreciation. Land is not depreciated.

Cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Production overheads and borrowing costs are not included in the cost.

Impairment of fixed assets

Fixed assets are analysed annually for indications of impairment. In case of indications an impairment test is performed for each single asset or group of assets that generate an independent cash-flow. The assets are written down to the highest of capital value and net sales price, if this value is lower than book value.

Receivables

Trade receivables, etc. are measured at the lower of amortised cost and the net realisable value, calculated by reference to an assessment of each individual receivable.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent reporting years.

Equity - dividend

Proposed dividend is included as a debt at the time of declaration at the Annual General Meeting. Dividend expected to be paid in the coming year is shown as a separate line item in equity.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent reporting years.

Liabilities

Financial liabilities are recognised on the raising of a loan at the proceeds received net of transaction costs incurred. Interest bearing debt is subsequently measured at amortised cost, using the effective interest rate method.

Trade payables and other debt is subsequently measured at amortised cost corresponding to the nominal unpaid debt.

Income statement 1 Jan 2022 - 31 Dec 2022

| | Disclosure | 2022 DKK | 2021 DKK |
|---|------------|-------------------|------------------|
| Gross profit (loss) | | 11,251,766 | 8,998,696 |
| Employee expense | 1 | -8,068,838 | -7,984,057 |
| Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets | 2 | -125,471 | -114,115 |
| Profit (loss) from ordinary operating activities | | 3,057,457 | 900,524 |
| Other finance income | | 134,998 | 141,818 |
| Other finance expenses | | -20,959 | -14,957 |
| Profit (loss) from ordinary activities before tax | | 3,171,496 | 1,027,385 |
| Tax expense | 3 | -697,531 | -225,986 |
| Profit (loss) | | 2,473,965 | 801,399 |
| Proposed distribution of results | | | |
| Proposed dividend recognised in equity | | 3,000,000 | 3,000,000 |
| Extraordinary dividend recognised in equity | | | 0 |
| Retained earnings | | -526,035 | -2,198,601 |
| Proposed distribution of profit (loss) | | 2,473,965 | 801,399 |

Balance sheet 31 December 2022

Assets

| | Disclosure | 2022 DKK | 2021 DKK |
|---|------------|-------------------|-------------------|
| Land and buildings | | 812,489 | 812,489 |
| Fixtures, fittings, tools and equipment | | 198,323 | 275,169 |
| Property, plant and equipment | 4 | 1,010,812 | 1,087,658 |
| Total non-current assets | | 1,010,812 | 1,087,658 |
| Trade receivables | | 2,986,377 | 629,891 |
| Receivables from group enterprises | | 0 | 1,285,108 |
| Tax receivables | | 0 | 89,975 |
| Other receivables | | 285,380 | 95,995 |
| Receivables | | 3,271,757 | 2,100,969 |
| Cash and cash equivalents | | 7,947,960 | 6,859,200 |
| Current assets | | 11,219,717 | 8,960,169 |
| TOTAL ASSETS | | 12,230,529 | 10,047,827 |

Balance sheet 31 December 2022

Liabilities and equity

| | Disclosure | 2022 | 2021 |
|---|------------|-------------------|-------------------|
| | | DKK | DKK |
| Contributed capital | | 299,000 | 299,000 |
| Revaluation reserve | | 671,000 | 671,000 |
| Retained earnings | | 992,962 | 1,518,997 |
| Proposed dividend | | 3,000,000 | 3,000,000 |
| Total equity | | 4,962,962 | 5,488,997 |
| Trade payables | | 1,858,535 | 2,223,463 |
| Payables to group enterprises | | 587,945 | 0 |
| Tax payables | | 67,729 | 0 |
| Other payables, including tax payables, liabilities other than provisions | | 4,753,358 | 2,335,367 |
| Short-term liabilities other than provisions, gross | | 7,267,567 | 4,558,830 |
| Liabilities other than provisions, gross | | 7,267,567 | 4,558,830 |
| LIABILITIES AND EQUITY, GROSS | | 12,230,529 | 10,047,827 |

Statement of changes in equity 1 Jan 2022 - 31 Dec 2022

| | Contributed capital | Reserve for net revaluation according to equity method | Retained earnings | Proposed dividend recognised in equity | Total |
|---------------------------|---------------------|--|-------------------|--|------------|
| | DKK | DKK | DKK | DKK | DKK |
| Equity, beginning balance | 299,000 | 671,000 | 1,518,997 | 3,000,000 | 5,488,997 |
| Dividend paid | | | | -3,000,000 | -3,000,000 |
| Profit (Loss) | | | -526,035 | 3,000,000 | 2,473,965 |
| Equity, ending balance | 299,000 | 671,000 | 992,962 | 3,000,000 | 4,962,962 |

Disclosures

1. Employee expense

| | 2022 | 2021 |
|---------------------------------|------------------|------------------|
| | DKK | DKK |
| Wages and salaries | 7.249.356 | 7.156.725 |
| Post employment benefit expense | 616.129 | 615.209 |
| Social security contributions | 103.296 | 103.508 |
| Other staff costs | 100.057 | 108.615 |
| | <u>8.068.838</u> | <u>7.984.057</u> |

2. Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets

| | 2022 | 2021 |
|---|----------------|----------------|
| | DKK | DKK |
| Buildings | 0 | 0 |
| Fixtures, fittings, tools and equipment | 125.471 | 114.115 |
| | <u>125.471</u> | <u>114.115</u> |

3. Tax expense

| | 2022 | 2021 |
|------------------------|----------------|----------------|
| | DKK | DKK |
| Current tax | 697.729 | 226.025 |
| Prior year adjustments | -198 | -39 |
| | <u>697.531</u> | <u>225.986</u> |

4. Property, plant and equipment

| | Land and buildings | Fixtures, fittings, tools and equipment | Property, plant and equipment |
|--|-----------------------|--|-------------------------------------|
| | DKK | DKK | DKK |
| Cost, beginning of year | 2.416.768 | 1.244.886 | 3.661.654 |
| Increase | 0 | 48.625 | 48.625 |
| Decrease | 0 | 0 | 0 |
| Cost, end of year | 2.416.768 | 1.293.511 | 3.710.279 |
| Revaluations, beginning of year | 671.000 | 0 | 671.000 |
| Revaluation, this year | 0 | 0 | 0 |
| Revaluations, end of year | 671.000 | 0 | 671.000 |
| Impairment losses and amortisation, beginning of year | -2.275.279 | -969.717 | -3.244.996 |
| Impairment losses, this year | 0 | -125.471 | -125.471 |
| Reversal on disposal | 0 | 0 | 0 |
| Impairment losses and amortisation, end of year | -2.275.279 | -1.095.188 | -3.370.467 |
| Carrying value, end of year | 812.489 | 198.323 | 1.010.812 |

The public land assessment of Danish properties at 1 October 2019 totals kr. 9.200.000

5. Disclosure of contingent liabilities

No contingent liabilities existed at 31 December 2022

| | 2022 | 2021 |
|--|----------------|----------------|
| | Kr. | Kr. |
| Operational leasing contracts covering a company car and printers | | |
| Future leasing obligations | | |
| Within 1 year | 76.462 | 76.461 |
| Between 1 and 5 years | 166.399 | 242.861 |
| After 5 years | 0 | 0 |
| | 242.861 | 319.322 |

6. Disclosure of collaterals and assets pledges as security

No collatorals or securities for loans existed at 31 December 2022

7. Disclosure of ownership

Ownership

The company has registered the following shareholders holding more than 5% of the voting rights or nominal value:

United International Pictures
Building 5, Chiswick Park
566 Chiswick High Road
London W4 5YF
UK

Group relations

Included in the consolidated financial statements of:

United International Pictures
Building 5, Chiswick Park
566 Chiswick High Road
London W4 5YF
UK

Where a consolidated financial statement can be requested by letter addressed to the Chief Operating Officer.

8. Information on average number of employees

Average number of employees

2022

11

(2021 : 12)