



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 990 964 076
Organisasjonsform: Aksjeselskap
Foretaksnavn: ITV STUDIOS NORWAY AS
Forretningsadresse: Gullhaugveien 1
0484 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Bdo AS
Dato for fastsettelse av årsregnskapet: 19.01.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 23.06.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	3, 11	68 698 620	28 818 711
Other operating income		7 829 663	580 000
Sum inntekter		76 528 283	29 398 711
Kostnader			
Cost of materials	3	71 707 156	33 800 745
Personnel expenses	9, 12	9 959 477	22 582 291
Depreciation of operating and intangible assets	2	3 561 022	4 089 101
Other operating expenses	2, 12	11 327 167	5 938 862
Sum kostnader		96 554 821	66 410 999
Driftsresultat		-20 026 538	-37 012 288
Finansinntekter og finanskostnader			
Annen renteinntekt			3 645
Other financial income		246 460	
Sum finansinntekter		246 460	3 645
Annen rentekostnad		1 113 324	207 187
Other financial expenses		658 628	
Sum finanskostnader		1 771 952	207 187
Netto finans		-1 525 492	-203 542
Ordinært resultat før skattekostnad		-21 552 030	-37 215 830
Tax on ordinary result	10, 13		620 980
Ordinært resultat etter skattekostnad		-21 552 030	-37 836 810
Årsresultat		-21 552 030	-37 836 810
Årsresultat etter minoritetsinteresser		-21 552 030	-37 836 810
Totalresultat		-21 552 030	-37 836 810



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Overføringer og disponeringer			
Allocated to other equity	7	-21 552 030	-37 836 810
Sum overføringer og disponeringer		-21 552 030	-37 836 810



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	13		
Varige driftsmidler			
Equipment and other movables	2	1 014 894	2 073 295
Sum varige driftsmidler		11 464 145	4 308 873
Finansielle anleggsmidler			
Investering i datterselskap		39 000	
Sum finansielle anleggsmidler		39 000	
Sum anleggsmidler		11 503 145	4 308 873
Omløpsmidler			
Varer			
Sum varer	3	31 670 012	17 342 668
Fordringer			
Accounts receivables	4	21 932 979	16 290 390
Other short-term receivables		340 360	1 301 850
Sum fordringer		22 273 339	17 592 240
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	6	11 873 917	14 556 300
Sum bankinnskudd, kontanter og lignende		11 873 917	14 556 300
Sum omløpsmidler		65 817 268	49 491 208
SUM EIENDELER		77 320 414	53 800 081

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2020	2019
Innskutt egenkapital			
Share capital	7, 8	100 000	100 000
Annen innskutt egenkapital	7	138 776	138 776
Sum innskutt egenkapital		238 776	238 776
Opptjent egenkapital			
Other equity	7	-34 491 890	-12 939 861
Sum opptjent egenkapital		-34 491 890	-12 939 861
Sum egenkapital		-34 253 114	-12 701 085
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10, 13		
Annen langsiktig gjeld			
Other long term liabilities		11 058 324	2 281 956
Sum annen langsiktig gjeld		11 058 324	2 281 956
Sum langsiktig gjeld		11 058 324	2 281 956
Kortsiktig gjeld			
Leverandørgjeld		4 495 331	39 539
Tax payable	10, 13		
Public duties payable	6	5 045 596	7 070 519
Other current debt	5	90 974 277	57 109 151
Sum kortsiktig gjeld		100 515 204	64 219 210
Sum gjeld		111 573 528	66 501 166
SUM EGENKAPITAL OG GJELD		77 320 414	53 800 081



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 06.12.2017	Vår dato 12.12.2017
Telefon 97759464	Deres referanse Kristoffer Vassdal	Vår referanse 2017/1258588

PRICEWATERHOUSECOOPERS AS
Postboks 3984
5835 BERGEN

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for
ITV Studios Norway AS, org.nr. 990 964 076**

— Vi viser til deres brev av 6. desember 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for ITV Studios Norway AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering ITV Studios Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

ITV Studios Norway AS driver virksomhet innen film- og TV-produksjon, samt annen tilhørende medieproduksjon. Selskapet er et heleid datterselskap av det svenske selskapet ITV Studios Nordic AB. ITV Studios Nordic AB er igjen eid av et britisk morselskap. Av selskapets fire styremedlemmer er to, herunder styreleder, britiske statsborgere. Selskapets virksomhet (TV-produksjon mv.) er rettet mot det internasjonale markedet og en stor del av selskapets kunder og leverandører er utenlandske.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal

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Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post:
skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eid av et utenlandsk selskap og at det ultimate morselskapet er britisk. Eierkretsen er derfor begrenset. Videre er det vektlagt at selskapets virksomhet er rettet mot det internasjonale markedet og at to av selskapets fire styremedlemmer er britiske statsborgere.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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To the General Meeting of ITV Studios Norway AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ITV Studios Norway AS which comprise the statement of financial position as 31 December 2020, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

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Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Penneo Dokumentnr: NYE2W-10G1Y-Y68WC-4VKWE-0J50-IM058



the going concern basis of accounting 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment 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. We 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.



Independent Auditor's Report - ITV Studios Norway AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen,
KPMG AS

Anfinn Fardal
State Authorised Public Accountant

Penneo Dokumentnøkkel: NYE2W-10G1Y-Y68WC-4VKWE-0J50-IM058



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Anfinn Bøthun Fardal

Partner

På vegne av: KPMG AS

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ITV Studios Norway AS
Financial Statements
2020





Directors annual report 2020 for ITV Studios Norway AS

The type and location of the business

ITV Studios Norway AS is a company whose business consists of TV production. The company has offices in Oslo and Bergen municipality.

Going concern

In accordance with § 3-3a of the Accounting Act it is confirmed that the going concern assumption is satisfied and this assumption has been applied in the preparation of the accounts. The book equity of the company is negative as per 31 December 2020, but the owners of the company will ensure sufficient funding to the Company in order for the Company to meet its liabilities as they fall due and to support continued operations for the Company for the next 12 months. The Company has initiated measures to improve the situation by cutting fixed costs. Among other things, the Company has reduced full-time equivalent employees from 17 to 12.

Report on the annual accounts

In 2020, ITV Studios Norway AS has a loss of NOK 21.552.030 This is due to high fixed costs and larger increases in costs to production compared to the increase in revenue. Cost to production also includes provisions relating to drama productions with no settled contracts, and contracted productions where the total result is expected to be negative. Due to this, the company has a negative equity of NOK 34.253.114 as per 31 December 2020.

The liquidity situation as per 31 December 2020 shows a bank and cash equivalent of NOK 11.873.917 which the company finds satisfactory. The company has an internal loan of NOK 51.500.000 at 31 December 2020, the maximum loan limit is NOK 75.000.000.

In 2020, the COVID-19 became a global crisis. ITV Studios Norway has as a result of the COVID-19 experienced extensive operational impact from COVID-19, which has resulted in delays and order stop on major productions. This has negatively impacted the financial results for the Company in 2020. One production that was postponed as a result of the pandemic, are currently in production again. Although COVID-19 is still at large and maintaining to be a global crisis, the customers have started ordering new productions and ITV Studios Norway AS has found a way to produce programs safely despite the situation we are in. The fact that the vaccine program has come this far, also helps the situation. Nevertheless, the situation is complex and there is no firm estimate on the financial impacts going forward. ITV Studios Norway AS has a strong focus on maintaining sufficient financial capacity to responsibly mitigate the situation and will, if required receive financial support from the Group to ensure continuing operations.

The board is not aware of any matters that are important for an assessment of the company's position and result that are not set out in the annual accounts. Similarly no matters have occurred after the end of the financial year that in the opinion of the board are material to an assessment of the accounts.

Future development

The company has expanding productions and agile staff that combined with market position gives a good outlook for future growth.

Financial risk

The company's overall objective and strategy are followed and according to plan. The strong market position reduces the risk, but the general shift in media is always a risk for production companies.

Currency risk

The company is exposed to currency risk as some revenue and purchases are in foreign currency.

Credit risk

The company is exposed to credit risk through its trade receivables. Most of the company's customers are large corporations and risk is considered to be limited. The finance structure of the projects, where prepayments are made from customers in accordance with contracts, create a fairly low credit and cash flow risk for the company. Management regularly monitors the ageing of the receivables.

With respect to credit risk arising from other financial assets of the company, which comprise cash and cash equivalents, and other receivables, the company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. This risk is not considered to be material.

Liquidity risk

The company's overall objective and strategy are followed and according to plan. The strong market position reduces the risk, but the general shift in media is always a risk for production companies. The company has no external borrowings, and are purely financed through equity and loans from other company companies from which the company had to loan NOK 51.500.000 from in 2020 with a maximum a limit of NOK 75 million.





Working environment, equal opportunity and discrimination

The board considers that the working environment in the company is good. No special measures have been implemented in this connection. The employees of the business have not suffered accidents or injury in connection with their work. Total sick leave over the last year has been 427 days, which amounts to 2,9% of total working time in the accounting year. 191 days are related to one persons long term sick leave.

ITV Studios Norway AS has a goal to be a workplace where there is full equality of opportunity between men and women, and has established a personnel policy that is considered to be gender neutral in all areas. At the end of year the company had 67 employees, 43,3% women and 56,7% men. The company's board consists of 4 persons, of whom 2 are women.

Environment reporting

The company does not carry on activity that pollutes the external environment.

Research and development activities

ITV Studios Norway AS has not had research and development activities in 2020 except for planning and development of new concepts and series within the organization.

Annual result and allocations

The financial statements for the year ending 31 December 2020, are the second the Company has prepared in accordance with simplified IFRS. For periods up to and including the year ended 31 December 2018, the Company prepared its financial statements in accordance with Norwegian generally accepted accounting principles (NGAAP).

In 2020 the company had a negative result of after tax of NOK 21.522.030 which is proposed to be allocated as follows:

Disposition	Amount
Allocation to (from) other equity	-21.522.030

Oslo, 31 August 2021
The board of ITV Studios Norway AS

Duncan T. R. Walker
Chairman

Vidveke Lyse
Board member

Lisa Perrin
Board member

Lars O. Johann
Board member
CEO





Statement of Profit or Loss

NOK	Note	2020	2019
Revenue from contracts with customers	9	73 968 620	28 818 711
Other income	9	2 559 663	580 000
Total operating income		76 528 283	29 398 711
Cost of materials	12	(71 707 156)	(33 800 745)
Personnel expenses	7,10	(9 959 477)	(22 582 291)
Depreciation, amortisation and impairment loss	2	(3 561 022)	(4 089 101)
Other operating expenses	10,11	(11 327 167)	(5 938 862)
Operating profit (EBIT)		(20 026 538)	(37 012 288)
Financial income		246 460	3 645
Financial expense	12	(1 771 952)	(207 187)
Financial expense - net		(1 525 492)	(203 542)
Profit/(loss) before tax		(21 552 030)	(37 215 830)
Income tax expense	8	0	(620 980)
Profit/(loss) for the period		(21 552 030)	(37 836 810)

Statement of Comprehensive Income

NOK	Note	2020	2019
Profit/(loss) for the period		(21 552 030)	(37 836 810)
Total comprehensive income for the period, net of tax		(21 552 030)	(37 836 810)





Statement of Financial Position

NOK	Note	31.12.2020	31.12.2019
Assets			
Intangible assets			
Investment in ITV Studios Norway Vest AS	13	39 000	0
Deferred tax assets	8	0	0
Property, plant and equipment	2	11 464 145	4 308 873
Total non-current assets		11 503 145	4 308 873
Productions in progress / Inventory			
Trade receivables	3	31 670 012	17 342 668
Other current receivables		21 932 979	16 290 390
Cash and cash equivalents	5	340 360	1 301 850
Total current assets		11 873 917	14 556 300
Total assets		65 817 268	49 491 208
Equity and liabilities			
Share capital	6	100 000	100 000
Other paid-in capital	6	138 776	138 776
Retained earnings	6	(34 491 890)	(12 939 860)
Total equity		(34 253 114)	(12 701 084)
Lease liabilities			
Intercompany loan	2	8 537 460	379 707
Total non-current liabilities	4	51 610 868	10 053 536
Lease liabilities			
Trade payables	2	2 520 864	1 902 249
Tax payable		4 495 331	39 539
Social security and other taxes	8	0	0
Other current liabilities	10	5 045 596	7 070 519
Total current liabilities	4,9	39 363 409	47 055 615
Total liabilities		51 425 200	56 067 922
Total equity and liabilities		111 573 528	66 501 166
Total equity and liabilities		77 320 414	53 800 081

Oslo, 31.08.2021

Duncan T. R.
Walker
Chairman

Lars Finland
CEO

Lisa Perrin
Board member

Vibecke Lyse
Board member





Statement of Changes in Equity

NOK	Share capital	Other paid-in capital	Retained earnings	Total equity
Balance at 31 December 2019	100 000	138 776	(12 939 861)	(12 701 085)
Profit/loss for the period			(21 552 030)	(21 552 030)
Other comprehensive income			0	0
Balance at 31 December 2020	100 000	138 776	(34 491 891)	(34 253 115)





Statement of cash flows

NOK	Note	2020	2019
Cash flow from operating activities			
Loss before income taxes		(21 552 030)	(37 215 830)
<i>Adjustments for:</i>			
Depreciation	2,3	3 561 022	4 089 101
Gain lease contract termination		0	(36 048)
Net interest	11	1 525 492	203 542
<i>Changes in working capital:</i>			
Change in trade receivables	5	(5 642 589)	(3 402 891)
Change in trade payables		4 455 791	(124 465)
Change in production in progress		(14 327 344)	(8 221 631)
Change in other provisions		(8 786 101)	43 543 616
Cash generated from operations		(40 765 758)	(1 164 607)
Interest paid		(1 771 952)	(207 187)
Interest received		246 460	3 645
Income taxes paid		0	0
Net cash flow from operations		(42 291 250)	(1 368 149)
Cash flow from investment activities			
Net purchase of fixed assets	2	6 409	(516 465)
Investments in internally generated intangible assets			
Net cash flow from investments		6 409	(516 465)
Cash flow from financing activities			
Payments of lease obligation		(1 954 877)	(2 776 469)
Proceeds from intercompany funding		41 557 332	10 053 536
Net cash flow from financing		39 602 455	7 277 067
Net change in cash and cash equivalents		(2 682 386)	5 392 453
Cash and cash equivalents at the beginning of the period		14 556 304	9 163 851
Cash and cash equivalents at the end of the period		11 873 917	14 556 304





Note 1 - Accounting Principles

General

The financial statements have been prepared in accordance with section 3-9 of the Norwegian Accounting Act and with the Directives specified by the Norwegian Ministry of Finance on 21 of January 2008 on simplified application of international accounting standards as adopted by the EU (IFRS).

1.1 Simplifications

The Company has applied all relevant simplifications in regard to the Directives specified by the Norwegian Ministry of Finance on 21. of January 2008, including: Dividend will be treated in accordance with the Norwegian Accounting Act and deviates from IAS 10 no. 12 and 13.

1.2 Basis for preparation

The financial statements have been prepared under the principle of historical cost.

1.3 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs.

All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

1.4 Revenue recognition

The accounting policies for the group's revenue from contracts with customers are explained in note 9.

1.5 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Note 9 provides further information on how the group accounts for government grants.

1.6 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.





Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.7 Leases

The Company has adopted IFRS 16 Leases from 1 January 2019. IFRS 16 is implemented in accordance with "Directives specified by the Norwegian Ministry of Finance on 21 of January 2008 on simplified application of international accounting standards as adopted by the EU" paragraph 1-4, which allows the company to use the same implementation principles and methods as the parent Group. Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases.

1.8 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.9 Trade receivables

Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less expected lifetime credit loss.

1.10 Production in progress / Inventory

Production in progress / inventory relates to production costs incurred in producing a programme and is recognized in line with IAS 2. All costs directly attributable to a programme are recognized as stock (inventory), including material, labor and production overheads.

Production stock is recognised within current assets as incurred and accumulates until delivery of a programme. Productions in progress/inventory comprises of both commissioned programmes and development stock. Commissioned programs constitute programs where the Company has entered in to a contract with a customer concerning the respective productions in progress. Development stock constitute productions in progress where the Company has not entered in to a contract with a customer.

Productions in progress / Inventory is valued at the lower of cost and net realisable value. An assessment is made at the end of each reporting period to assess whether the net realisable value is lower than cost, and if the Company's assessment of the net realisable value is lower than cost a write-down of the productions in progress / inventory is performed.

1.11 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the group are disclosed in note 2. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.





1.12 Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.13 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The group operates defined contribution plans only. With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

1.14 Investment in subsidiaries

The company has investments in subsidiaries that are not consolidated in accordance to IFRS 10 no. 4. Investments in subsidiaries that are not consolidated, are initially recognised at cost. If there are indications that the investments may be impaired, the company will perform an impairment test of the carrying amount of the investment. In the case of impairment losses these are recognised in profit and loss.





Note 2 Property, plant and equipment

NOK	Movables	Right-of-use assets	Sum
Purchase cost 01.01.	4 859 204	4 029 387	8 888 591
Additions	384 504	10 008 022	10 392 526
Revaluations*	-	714 809	714 809
Disposals	-	-	-
Purchase cost 31.12.	5 243 708	14 752 218	19 995 926
Accumulated depreciation 01.01.	2 785 909	1 793 809	4 579 718
Disposals*	390 913	-	390 913
Depreciation in the year	1 051 993	2 509 157	3 561 150
Accumulated depreciation 31.12.	4 228 815	4 302 966	8 531 780
Net book value 31.12.	1 014 893	10 449 252	11 464 145

Expected useful life	3-5 years	3-5 years
Depreciation plan	Straight line	Straight line

* Revaluations; relates to a long-term lease agreement with starting date in october 2019.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

NOK	31.12.2020	31.12.2019
Right of use assets*		
Property	10 081 066	1 725 244
IT equipment	368 185	510 334
Net book value 31.12.	10 449 252	2 235 578

* included in the line item "Property, plant and equipment" in the balance sheet.

Contracts included in right of use assets

Contract type	Line in balance sheet	Annual lease	End date
Server rental	IT equipment	100 056	30.09.2024
Rental office - Bergen	Property	107 640	31.12.2026
Rental office - Oslo	Property	2 357 842	14.06.2025

NOK	31.12.2020	31.12.2019
Lease liabilities		
Current	2 520 864	1 902 249
Non-Current	8 537 460	379 707
Sum	11 058 324	2 281 956

Additions to the right-of-use assets during 2020 were NOK 10 008 022.

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

NOK	2020	2019
Depreciation charge of right-of-use assets		
Properties	2 367 009	2 790 334
IT equipment	142 149	68 565
Sum depreciation	2 509 157	2 858 899

Interest expense	109 160	143 584
------------------	---------	---------

The total cash outflow for leases as at 31.12.2020 was NOK 1 954 877.

Impairment test of right-of-use assets

As a consequence of the Covid-19-pandemic the company has identified indications of impairment related to the book value of the right-of-use (ROU) assets. The company has conducted an impairment test in accordance to IAS 36 and IFRS 16. The company has calculated the estimated present value for the cash generating unit (CGU). The conclusion of the impairment test is that the present value of the future expected cash flows exceed the carrying book value of ROU assets, therefore no impairment losses are recognised. In the present value calculation, it is mainly the "turn around" effect that has a positive effect on the valuation of the CGU. The figures used in the impairment test are based on the company's expectations for the coming years. However due to the nature of the ongoing Covid-19-pandemic there is uncertainty regarding these estimates and accordingly in the value of the ROU assets.





Note 3 Debtors

NOK	2020	2019
Trade debtors at nominal value	21 932 979	16 290 390
Bad debts provision*	-	-
Trade debtors in the balance sheet	21 932 979	16 290 390
Debtors which fall due later than one year;	-	-
Total	-	-

* Historically there has been no or limited losses related to trade debtors. No effects were identified at implementation of simplified IFRS, and no provisions have been made at year end 2020 due to this.

Note 4 Balance with group companies, etc.

NOK	2020	2019
Group companies - loan (funding)	51 610 868	10 053 536
Group companies - short term debt	1 279 876	963 743
Total	52 890 744	11 017 279

As per 31 December 2020, the company has a long term loan with the group company in the UK. The interest rate is 2,5%. The termination date is 17.12.2024 and has a maximum limit on NOK 75 000 000.

Note 5 Restricted bank deposits, overdraft facilities

Restricted bank deposits

NOK	2020	2019
Withheld employee taxes	1 413 839	1 128 881

The company has no overdraft facilities.

Note 6 Share capital and shareholder information

The share capital of NOK 100.000 consists of 1.000 shares with nominal value of NOK 100 each.

All shares are owned by ITV Studios Nordic AB (Sweden).

ITV plc is the ultimate owner of ITV Studios Norway AS.

ITV plc adresse; 2 Waterhouse Square, 138-142 Holborn, London EC1N 2AE, England. Company number 4967001.

The Group Financial statements of ITV plc can be obtained through www.itvplc.com

The company has negative equity, and as such the Board's responsibilities in accordance with the Norwegian Private Limited Liabilities Companies Act §3-5 must be met. However, the owners (ITV plc) has expressed their intention to secure continued operations with funds, and has the ability to do so. As per year end, the owners in the UK has provided a loan with a limit of NOK 75 mill of which NOK 51,5 mill has been drawn upon. Based on this, it is the view of the management that the going concern presumption is secured. We refer to the Board's annual report for further description of the situation.

Note 7 Pensions

The company has pension schemes which cover a total of 21 persons (average in 2020).

The company's pension schemes meet the requirements of the law on compulsory occupational pension.

During the year, a total of NOK 356 179 has been paid and booked as a cost.





Note 8 Taxes

Calculation of deferred tax/deferred tax benefit

NOK	2020	2019
Fixed assets	-1 309 147	-834 196
Trade receivables	-287 577	8 066
Productions in progress / Inventory	-5 349 650	-15 050 734
Lease contracts	-609 072	333 329
Net temporary differences	-7 555 446	-15 543 535
Tax losses carried forward	-53 875 168	-24 449 319
Basis for deferred tax	-61 430 614	-39 992 854
Deferred tax	-13 514 735	-8 798 428
Deferred tax benefit not shown in the balance sheet	13 514 735	8 798 428
Deferred tax in the balance sheet	-	-

The deferred tax asset is not booked per 31.12.2020 due to uncertainty with respect to the future taxable income, and the company's potential to offset future income against the accumulated loss.

Basis for income tax expense, changes in deferred tax and tax payable

NOK	2020	2019
Result before taxes	-21 552 030	-37 215 830
Permanent differences	114 270	45 613
Basis for the tax expense for the year	-21 437 760	-37 170 217
Change in temporary differences	-7 988 089	15 199 982
Basis for payable taxes in the income statement	-29 425 849	-21 970 235
+/- Group contributions received/given	-	-
Taxable income (basis for payable taxes in the balance sheet)	-29 425 849	-21 970 235

Components of the income tax expense

NOK	2020	2019
Payable tax on this year's result	-	-
Adjustment in respect of priors	-	-
Total payable tax	-	-
Change in deferred tax based on original tax rate	-	620 980
Change in deferred tax due to change in tax rate	-	-
Tax expense	-	620 980

Reconciliation of the tax expense

NOK	2020	2019
Result before taxes	-21 552 030	-37 215 830
Calculated tax	-4 741 447	-8 187 483
Tax expense	-	620 980
Difference	4 741 447	8 808 463

The difference consist of:

Tax of permanent differences	25 139	10 035
Change in deferred tax due to change in tax rate	-	-
Reversal of deferred tax asset from 2018	-	620 980
No tax entry in 2019	4 716 307	8 177 448
Sum explained differences	4 741 447	8 808 463

Payable taxes in the balance sheet

NOK	2020	2019
Payable tax in the tax charge	-	-
Tax effect of group contribution	-	-
Payable tax in the balance sheet	-	-





Note 9 Operating income

Revenue by activity

NOK	2020	2019
Programme production	73 968 620	28 818 711
Other income*	2 559 663	580 000
Total	76 528 283	29 398 711

*Reconciliation of other income

NOK	2020	2019
Other contract related revenue	353 177	-
Government grants**	2 186 726	580 000
Assets disposal	19 760	-
Total	2 559 663	580 000

**Government grants

NOK	2020	2019
Received	7 456 726	580 000
Not recognised as income in 2020	5 270 000	-
Total	2 186 726	580 000

Revenue distribution - Programme production

NOK	2020	2019
External revenue	70 562 352	29 398 711
Internal revenue	5 965 931	-
Total	76 528 283	29 398 711

Geographical distribution - Programme production

NOK	2020	2019
Norway	52 486 929	13 433 565
Other countries	24 041 354	15 385 146
Total	76 528 283	28 818 711

Production in progress / Inventory

NOK	2020	2019
Production in progress - cost	37 019 662	32 393 402
Production in progress - impairment (presented as cost of materials)	-5 349 650	-15 050 734
Production in progress - book value	31 670 012	17 342 668

Liabilities related to contracts with customer

NOK	2020	2019
Contract liabilities	24 206 062	33 897 233
Total	24 206 062	33 897 233

Accounting policies

Programme production

The Company's revenue is generated from programmes produced for broadcasters. The revenue recognised at the point of delivery of an episode and acceptance by the customer and each episode is considered to be a separate performance obligation. The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated evenly to each episode.

The transaction price is normally paid in defined installments. As such, a contract liability is recognised when the payment (or invoices due) exceeds the allocated value of episodes delivered and a contract asset is recognised when the payment (or invoices due) is less than the allocated value of episodes delivered.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. The grants are recognised as other income on a linear basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate.

Assets and liabilities

The contract liabilities relates to up-front payment from counterparties to production in progress.





Note 10 Payroll expenses, number of employees, remunerations, loans to employees, etc.

Personell expenses		
NOK	2020	2019
Salaries/wages	39 631 765	18 212 379
Social security fees	5 529 772	4 125 757
Pension expenses	356 179	253 923
Other remuneration	279 132	558 328
Total	45 796 848	23 150 387
Reclassified production wages	35 837 371	12 047 775
Total, after reclassified production wages	9 959 477	11 102 612

The number of employees in the accounting year:	2020	2019
Administrative and production	18	14
Freelance (production related)	53	36
Sum	71	50

Remuneration to executives		
NOK	CEO *	Board
Salaries/board fee	1 758 750	-
Pension expenses	23 796	-
Other remuneration	111 660	-

* Chief Executive Officer;

If the Board terminates the employment contract with the CEO, he is entitled to receive salary in a further 3 months.

No loans/surcurities have been granted to the CEO, Board chairman or other related parties.

Expensed audit fee		
NOK	2020	2019
Statutory audit (incl. technical assistance with financial statements)	268 100	139 454
Other assurance services	-	-
Tax advisory fee (incl. technical assistance with tax return)	-	-
Total audit fees	268 100	139 454

Note 11 Related-party transactions

Related-party transactions:		
NOK	2020	2019
Sales of goods and services		
Parent company and group companies	5 965 931	-
Purchases of goods and services		
Entity controlled by key management personnel	-	-
Parent company (management services)	2 201 608	1 885 475
Interest expense		
Parent company	967 690	14 574





Note 12 Financial risk

Currency risk

The company is exposed to currency risk as some revenue and purchases are in foreign currency.

Summary of currency exposure:

NOK	2020
Exchange gains	246 460
Exchange losses	-656 747
Exchange gains and losses reclassified to production	-731 639
Total	-1 141 926

Credit risk

The company is exposed to credit risk through its trade receivables. Most of the company's customers are large corporations and risk is considered to be limited. The finance structure of the projects, where prepayments are made from customers in accordance with contracts, create a fairly low credit and cash flow risk for the company. Management regularly monitors the ageing of the receivables.

With respect to credit risk arising from other financial assets of the company, which comprise cash and cash equivalents, and other receivables, the company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. This risk is not considered to be material.

Liquidity risk

The company's overall objective and strategy are followed and according to plan. The strong market position reduces the risk, but the general shift in media is always a risk for production companies.

The company has no external borrowings, and are purely financed through equity and loans from other group companies. The company had to loan NOK 41,5 mill from group companies in 2020.

Note 13 Investments in subsidiaries

List of subsidiaries:

Company	Ownership
ITV Studios Norway Vest AS	100 %

The company owns 100% of the shares in all its subsidiaries and an equal amount of the votes. According to the exception in IFRS 10 no. 4, the financial statements of ITV Studios Norway and its fully owned subsidiary ITV Studios Norway Vest AS are not consolidated. The investment in ITV Studios Norway Vest AS is recognised in the balance sheet at historical cost. The financial statements of ITV Studios Norway AS show a profit and loss of NOK 0 for 2020 and a net equity of NOK 24 430 as of 31.12.2020.

Note 14 COVID-19

In 2020, the COVID-19 became a global crisis. ITV Studios Norway AS has as a result of the COVID-19 crisis experienced extensive operational impact from COVID-19, which has resulted in delays and order stop on major productions. This has had a negative impact on the financial results for the Company in 2020.

The productions that was postponed as a result of the crisis, are currently in production again.

Although COVID-19 is still at large and maintaining to be a global crises, the customers have started ordering new productions and ITV Studios Norway AS has found a way to produce programs safely despite the situation we are in. Nevertheless, the situation are complex and there is no firm estimate on the financial impacts going forward.

ITV Studios Norway AS has a strong focus on maintaining sufficient financial capacity to responsibly mitigate the situation and will, if required receive financial support from the Group to ensure continuing operations





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