

FILMKOPI

Annual report 2016

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Association details

Association

FILMKOPI

Board of Directors

Jane Saunders

Søren E. Jakobsen

Klaus Hansen

Jan Degner

Morten Bøgenskjold

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Statement by Management on the annual report

The Board of Directors has today considered and approved the annual report of FILMKOPI for the financial year 1 January to 31 December 2016.


The annual report is presented in accordance with FILMKOPI's articles of association and the Association's accounting policies. We consider the accounting policies used appropriate and the accounting estimates made reasonable. Further, the overall presentation of the financial statements is considered true and fair.

In our opinion, the financial statements give a true and fair view of the Association's financial position at 31 December 2016 and of its financial performance for the financial year 1 January to 31 December 2016. As stated in the financial statements, including the notes to the financial statements, accounting uncertainties do exist related to a number of the elements of the financial statements.

We recommend the annual report for adoption at the board meeting.

Frederiksberg, 28 March 2017

Board of Directors



Jane Saunders



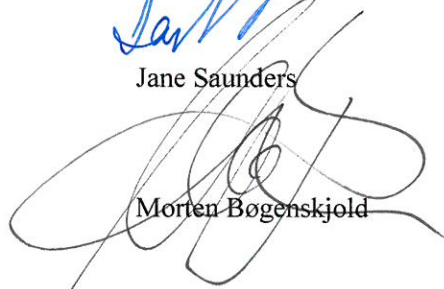
Søren E. Jakobsen



Klaus Hansen



Jan Degner



Morten Bøgenskjold

Independent auditor's report

To the Board of Directors of FILMKOPI

Opinion

We have audited the financial statements of FILMKOPI for the financial year 1 January 2016 - 31 december 2016, which comprise the income statement, balance sheet and notes, including a summary of significant 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 Entity's financial position at 31 December 2016 and of the results of its operations for the financial year 1 January 2016 - 31 December 2016 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter affecting the financial statements

Without modifying our opinion, we point out the information stated in notes 3 and 4 to the financial statements regarding uncertainties related to the measurement of "Receivables from Registrering Danmark ApS and Johan Schlüter Advokatfirma I/S (law firm), after write-downs" of DKK 0 and, as a result, the liability item "Offsetting against future distributions to rights owners and retention according to recovery plan etc." of DKK 22.767.639.

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.

Independent auditor's report

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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

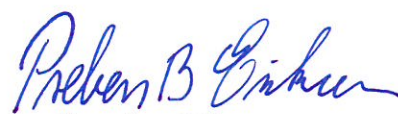
Copenhagen, 28 March 2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56



Christian Sanderhage
State Authorised Public Accountant



Preben Bøgeskov Eriksen
State Authorised Public Accountant

Income statement for 2016

| | <u>Note</u> | <u>2016 DKK</u> | <u>2015 DKK'000</u> |
|---|-------------|---------------------------|-------------------------|
| Copydan, received | | 98.112.249 | 18.655 |
| Foreign countries, received | | 3.132.908 | 1.017 |
| Settlement with Stofa | | 0 | 800 |
| Financial income, net | | <u>(26.662)</u> | <u>11</u> |
| Received funds for further distribution | | <u>101.218.495</u> | <u>20.483</u> |
| Board of Directors, fees | | 0 | (80) |
| Administration fee etc. | 2 | (5.778.797) | (4.405) |
| Audit and accounting assistance | | 0 | (119) |
| Other expenses | | <u>0</u> | <u>(1.979)</u> |
| Expenses incurred on behalf of the rights owners | | <u>(5.778.797)</u> | <u>(6.583)</u> |
| Profit/loss before extraordinary/non-recurring items | | 95.439.698 | 13.900 |
| Extraordinary/non-recurring items | | | |
| Write-down, receivables | 3, 4 | 0 | (2.502) |
| Write-up, receivables | 3, 4 | <u>0</u> | <u>1.011</u> |
| | | <u>0</u> | <u>(1.490)</u> |
| Profit/loss for the year | | <u>95.439.698</u> | <u>12.410</u> |
| Proposed distribution of profit/loss | | | |
| To rights owners' account | | 95.439.698 | 13.901 |
| Transferred to offsetting against future distributions | | <u>0</u> | <u>(1.490)</u> |
| | | <u>95.439.698</u> | <u>12.410</u> |

Balance sheet at 31.12.2016

| | <u>Note</u> | <u>31.12.2016 DKK</u> | <u>31.12.2015 DKK'000</u> |
|---|-------------|---------------------------------|-------------------------------|
| Receivables from Registrering Danmark ApS and Johan Schlüter Advokatfirma I/S (law firm), after write-downs | 3 | 0 | 0 |
| Offsetting against future distributions to rights owners and retention according to recovery plan etc | 4 | 0 | 15.129 |
| Receivables, FILMRET | | 2.528.446 | 564 |
| Receivables, CAB | | 2.586.183 | 1.106 |
| Receivables, Filmret ApS | | 1.200.391 | 0 |
| Enterprise Investment (Filmret ApS 33,33%) | | 0 | 0 |
| Cash and cash equivalents | | <u>65.072.112</u> | <u>19.720</u> |
| | | <u>71.387.132</u> | <u>36.519</u> |
| Assets | | <u><u>71.387.132</u></u> | <u><u>36.519</u></u> |
| | | | |
| | <u>Note</u> | <u>31.12.2016 DKK</u> | <u>31.12.2015 DKK'000</u> |
| Rights owners' account | 5 | 48.613.486 | 36.285 |
| Offsetting against future distributions to rights owners and retention to recovery plan etc | 4 | 22.767.639 | 0 |
| Debt, Filmret ApS | | 0 | 119 |
| Other creditors | | 6.007 | 0 |
| Accrued audit fee | | <u>0</u> | <u>115</u> |
| Short-term liabilities | | <u>71.387.132</u> | <u>36.519</u> |
| Liabilities | | <u><u>71.387.132</u></u> | <u><u>36.519</u></u> |
| | | | |
| Contingent liabilities etc | 1 | | |

Notes

1. Contingent liabilities etc

The Association has no guarantees, warranties or other contingent liabilities apart from a letter of support issued in favour of Filmret ApS and a letter of subordination in respect of Registrering Danmark ApS.

2. Administration fee etc.

Administration fee for 2016 consists of fee to Filmret ApS.

| | <u>2016</u> <u>DKK</u> | <u>2015</u> <u>DKK'000</u> |
|---|---------------------------|-------------------------------|
| 3. Receivables, Registrering Danmark ApS and Johan Schlüter Advokatfirma I/S (law firm), after write-downs | | |
| Receivables at 1 January | 1.490.388 | (3.261) |
| Additions | 0 | 5.763 |
| Disposals | <u>0</u> | <u>(1.011)</u> |
| Receivables at 31 December before write-downs | <u>1.490.388</u> | <u>1.490</u> |
| Write-downs for bad and doubtful debts at 1 January | (1.490.388) | 0 |
| Write-downs for bad and doubtful debts | 0 | (2.502) |
| Write-up for bad and doubtful debts | <u>0</u> | <u>1.011</u> |
| Write-downs for bad and doubtful debts at 31 December | <u>(1.490.388)</u> | <u>(1.490)</u> |
| Receivables at 31 December | <u>0</u> | <u>0</u> |

As a result of material uncertainties related to measurement of receivables, the receivables were written off at 31 December 2016. We refer to note 4.

Notes

4. Offsetting against future distributions to rights owners and retention according to recovery plan etc.

At 31 December 2016, the item comprises the receivable from Registrering Danmark ApS and Johan Schlüter Advokatfirma I/S (law firm) written off, see note 3, recovery and other adjustments. In cases of receivables not received, future distributions to rights owners will be reduced for a given period.

For 2016, DKK 37.896.151 has been retained from the distributions to rights owners in accordance with the recovery plan. The amount has been offset to cover the expected losses in the three Associations FILMRET, CAB and FILMKOPI on amounts receivable.

| | RD and JSA DKK | Recovery adjustments DKK | Other adjustments DKK | Total DKK |
|--|-------------------------------|-------------------------------------|--------------------------------------|----------------------|
| Balance at 1 January 2016 | 1.490.388 | (10.097.017) | 23.735.141 | 15.128.512 |
| Retained according to recovery plan in 2016 | - | (37.896.151) | | (37.896.151) |
| Offsetting against future distributions to rights owners and retained according to recovery plan etc. at 31 December 2016 | 1.490.388 | (47.993.168) | 23.735.141 | (22.767.639) |

There is uncertainty about the size of the amount and the time aspect of the reduced distributions.

Notes

| | 2016 | 2015 |
|---|--------------------|----------------|
| | DKK | DKK'000 |
| 5. Rights owners' account | | |
| Amount for distribution at 1 January | 36.285.363 | 68.340 |
| Received from Copydan, cf income statement | 98.112.249 | 18.655 |
| Received from foreign countries, cf income statement | 3.132.908 | 1.017 |
| Settlement with Stofa | 0 | 800 |
| Financial income, net, cf income statement | (26.662) | 11 |
| | 137.503.858 | 88.823 |
| | | |
| Retained cf. recovery plan | (37.896.151) | (7.740) |
| Distributed to rights owners | (38.942.853) | (24.716) |
| Distributed to FDV | (1.678.335) | (3.057) |
| Distributed to Danish Producers Association (cultural funds) | (1.564.063) | (526) |
| Distributed to applicants, collective funds | (1.474.000) | (2.869) |
| Distributed to US-Guilds | (1.150.976) | (2.964) |
| Distributed to Rettighedsalliancen (cultural funds) | (405.197) | (1.480) |
| Distributed to IFPI | 0 | (2.221) |
| Distributed to Koda | 0 | (382) |
| Expenses incurred on behalf of the rights owners, cf Income statement | (5.778.797) | (6.583) |
| For future distribution at 31 December, debt to rights owners with allocation base | 48.613.486 | 36.285 |

Accounting policies

The financial statements have been prepared in accordance with FILMKOPI's articles of association and the Association's accounting policies.

The accounting policies applied for these financial statements are consistent with those applied last year.

The financial statements are presented in DKK.

Recognition and measurement

Income is recognised in the income statement when received. In addition, value adjustments of financial assets and liabilities are measured at fair value or amortised cost. Further, all costs incurred to obtain income in the financial year are recognised in the income statement, including amortisation/depreciation and impairment losses, provision as well as reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Association, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Association has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Association, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. The difference that arises between the rate at the balance sheet date and the rate in effect at the occurrence of the receivable or payable is recognised in the income statement as financial income or financial expenses.

Accounting policies

Income statement

Income of the Association

Income of the Association is recognised as income when received.

Expenses of the Association

Expenses comprise administration fee

Financial income and expenses

These items comprise portfolio return etc which is recognised in the income statement with amounts related to the financial year.

Income taxes

The Association is not subject to pay tax.

Balance sheet

Receivables

Receivables are recognised at market value. Other receivables are recognised in the balance sheet at amortised cost usually equalling nominal value. The value is reduced by write-downs for bad and doubtful debts in accordance with fixed principles based on the Association's prior experience and an individual assessment of each receivable.

Securities

Securities are measured at the market value at the balance sheet date. Unrealised gains/losses at the balance sheet date and realised gains/losses upon sale are recognised in the income statement under the items Financial income and Financial expenses.

Offsetting against future distributions to rights owners

Write-down of receivables is offset against future distributions to rights owners.

Financial liabilities

Financial liabilities are measured at amortised cost which usually corresponds to nominal value.