Prospectus

dated 31 May 2019

for admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

21,898,680 newly issued bearer shares pursuant to two capital increases resolved by the Issuer's general shareholder meeting dated 26 September 2018, each such share with a notional value of EUR 1.00 and full dividend rights from 1 January 2019

of

Wild Bunch AG

(a stock corporation incorporated under the laws of the Federal Republic of Germany, having its corporate seat in Berlin, Federal Republic of Germany)

International Securities Identification Number: DE000A2TSLZ0
German Securities Code (*Wertpapierkennnummer*): A2TSLZ

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1. SUMMARY

*Summaries are made up of disclosure requirements known as elements ("**Elements**"). These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words "not applicable".*

Section A – Introduction and warnings

Element		
A.1	**Warnings**	This summary should be read as an introduction to this prospectus (the "**Prospectus**"). The investor should base any decision to invest in the securities on the review of this Prospectus as a whole. In case a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Wild Bunch AG, Berlin, Germany (the "**Issuer**", "**Wild Bunch**", "**WBAG**" and, together with its fully consolidated subsidiaries, the "**Wild Bunch Group**"), together with Quirin Privatbank AG, Kurfürstendamm 119, 10711 Berlin ("**Quirin Bank**") have assumed responsibility for the content of this summary and its German translation pursuant to Section 5 para. 2b No. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Those persons who are responsible for the summary, including any translation thereof, or for the issuing (*von denen der Erlass ausgeht*), can be held liable but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or if it does not provide, when read together with the other parts of this Prospectus, all necessary key information.
A.2	**Information regarding the subsequent use of the Prospectus.**	Not applicable. Consent by the Issuer regarding the use of this Prospectus for a subsequent resale or final placement of the Issuer's shares by financial intermediaries has not been granted.

Section B – Wild Bunch AG – Issuer

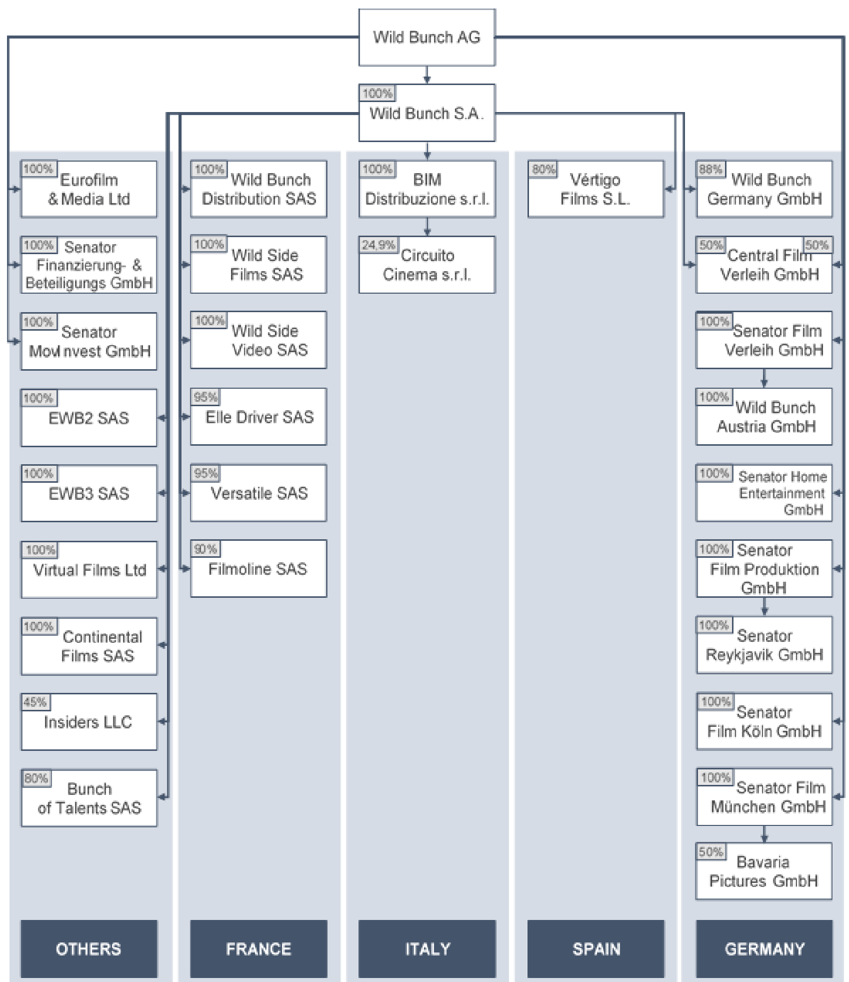
Element		
B.1	**Legal and commercial name of the Issuer**	The Issuer's legal name is "Wild Bunch AG". The Issuer is the Wild Bunch Group's holding company and operates under the brand "Wild Bunch".
B.2	**Domicile, legal form, legislation, country of incorporation**	The Issuer has its registered office at Knesebeckstrasse 59-61, 10719 Berlin, Germany, and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg, Germany, under number HRB 68059. The Issuer is a stock corporation (*Aktiengesellschaft* or *AG*) incorporated in Germany and governed by the laws of Germany.
B.3	**Current operations and principal business activities and principal markets in which the Issuer competes.**	The Issuer is the Wild Bunch Group's holding company. The Wild Bunch Group is an independent European film distribution and production services company. The Wild Bunch Group is active in the areas of acquisition, film and TV financing, co-production, film distribution and international sales. The Wild Bunch Group offers a wide range of direct distribution services. It has established a worldwide distribution network in international sales via its sales outfits Wild Bunch International Sales, Elle Driver, Versatile and Wild Bunch TV. It also includes direct distribution in five countries: France with Wild Bunch Distribution SAS and Wild Side Video SAS, Italy with BIM Distribuzione S.r.l., Germany with Wild Bunch Germany GmbH and Central Film Verleih GmbH, Austria with Wild Bunch Austria and Spain with Vértigo Films S.L. With its VOD (Video-on-Demand) / SVOD (Subscription Video-on-Demand) service FilmoTV in France, Wild Bunch also positioned itself in the market of direct electronic distribution early on. Furthermore, Wild Bunch also has a presence in the field of film production with, among others, its brand Senator Film Produktion based in Berlin. With the founding of the label Wild Bunch TV, production activities have been further expanded since 2015. The new label focuses on the co-production, co-financing and distribution of TV series for the international TV market. The Wild Bunch Group's activities principally relate to France, Italy, Spain, Germany and Austria. The business units of the Wild Bunch Group are active along the filmed entertainment value chain and comprise the four business areas of production, international sales, distribution, miscellaneous. The first three business segments (production, international sales, distribution) form Wild Bunch Group's core business "International Sales and, Distribution and Film Production", the fourth business segment is the "Miscellaneous" segment. The Wild Bunch Group currently offers a library of over 2,500 films and TV series, covering a variety of genres, and also sells currently up to 50 new independent films per year. The size and quality of its film library has made Wild Bunch Group companies a crucial partner for all buyers, ranging from TV broadcasting companies to providers of digital video content. Wild Bunch Group's content catalogue includes director-driven, art-house, genre and mainstream fare, as well as documentaries. It includes local, international and English language titles. The Wild Bunch Group believes that promoting and marketing content will require sophisticated skills. Therefore, Wild Bunch Group companies have developed alternative approaches towards commercialisation that are largely based on new electronic sales channels and the restructuring of process planning. This has allowed the Wild Bunch Group to position itself on the electronic direct sales market with its French VOD/SVOD platform FilmoTV, for example.

		In addition, in the opinion of the Issuer, the Wild Bunch Group has become one of the first distribution companies in Europe to offer online cinema services (e-Cinema) through an alternative sales model in order to promote "event films" and their economic potential to the public. In light of VOD's increasing share of the market worldwide and the limited availability of cinema screens, Wild Bunch is offering these films either directly to a number of VOD services, or, where legally permissible, simultaneously via VOD and a limited number of cinemas. In the opinion of the Issuer, the Wild Bunch Group's key strength include: - far reaching network of relationships with talents and their representatives (actors, scriptwriters, directors, producers, agents etc.). - the Wild Bunch Group benefits from its recognized brand image. - innovative selection of feature films and TV series with a focus on both local content and premium independent movies. - competitive advantage to diversify investment risk of individual films by pan-European business model. - Strong negotiation position *vis-à-vis* sales partners. - commercializing content via digital channels. - The Wild Bunch Group maintains diversified revenue streams across various distribution channels, e.g. theatres, video, TV and electronic distribution. - industry experience is reflected in the extensive content library, which contains over 2,500 titles. - recognised sales expertise which enables to monetise filmed entertainment content worldwide. - uniform and cross-organizational purchase process for film rights (i.e. "greenlighting" process) secure profitability. - experienced management team with many years of experience in the film industry. The development of new market segments is an essential part of the Wild Bunch Group's growth strategy. As the Wild Bunch Group sees itself as a pioneer in the development of innovative solutions for production, distribution and international sales considering digitisation and change from linear television consumption to on-demand TV, it is actively shaping this radical paradigm shift and continuously commercializes content via digital channels. Tailor-made, attractive content and services for the entertainment sector is the way Wild Bunch aims to achieve profitable growth in the years to come. As part of its long-term corporate strategy, Wild Bunch Group would like to push on with its geographical and content expansion. With the Wild Bunch TV label, which was established in September 2015, the Wild Bunch Group is focussing on co-producing, financing and marketing international TV series. Under the label Wild Bunch Digital, the Wild Bunch Group began developing a unified digital strategy for its products in October 2017. In addition to the further penetration of existing markets, the development of whole new market segments and innovative solutions in production, sales and distribution, and to the issue of geographical expansion, are all vital elements of the long-term corporate strategy.
B.4a	**Most significant recent trends affecting the Issuer and the industry**	There is a number of significant trends in the industry, in particular a sharp increase in demand for high-quality content, the rapid digitisation of the film industry and the internationalisation and concentration of business operations. The increasing digitisation in the film and entertainment industry is constantly leading to new and varied content offers and changes in viewing behaviours, which in turn lead to additional players, such as multichannel networks or SVOD services like Amazon Prime Video from Amazon.com, Inc. and Netflix from Netflix, Inc., that are increasingly

<table>
<tr><td></td><td>in which it operates</td><td>represented in Wild Bunch’s core markets. This rate of progress in digitisation is resulting in more choices for the consumer.

Internationalisation and concentration of the film business is another market trend. Because technological change is going full steam ahead, the traditional media companies had to react in order to remain competitive in the face of giants such as Amazon.com, Inc. and iTunes from Apple, Inc. Various large takeovers were executed in this market. For instance, The Walt Disney Company bought 21st Century Fox in March 2019 or AT&T Inc. bought WarnerMedia LLC in June 2018.</td></tr>
<tr><td>B.5</td><td>Description of the Group and the Issuer's position within the Group</td><td>The Issuer is the Wild Bunch Group's holding company. The Wild Bunch Group comprises 30 entities and includes the Issuer and its fully owned subsidiary, the Wild Bunch S.A., each of such two entities together with its consolidated subsidiaries.

The following chart provides an overview of the substantial shareholdings of the Issuer as at 31 December 2018:


</td></tr>
<tr><td>B.6</td><td>Persons who, directly or indirectly, have a (notifiable) interest in the issuer's</td><td>The Issuer is a publicly traded company. The following table sets forth to the best knowledge of the Issuer direct and indirect shareholders of the Issuer, which, as of the date of this Prospectus, directly or indirectly, have a notifiable interest in the Issuer’s capital and voting rights in the meaning of Sections 33 et seqq. of the German Securities Trading Act (Wertpapierhandelsgesetz), together with the shareholdings of the public free float:</td></tr>
</table>

capital and voting rights

Registrant	Direct Shareholder	Number of voting rights of Registrant: Directly	Indirectly	Total
Lars Windhorst[1] Sébastien Moerman[2] Mike Beattie[3]	Voltaire Finance B.V.[4]	-	23,032,998	23,032,998 / 96.20 %
Vincent Grimond	Vincent Grimond	175,588	-	175,588 / 0.73 %
Vincent Maraval	Vincent Maraval	64,953	-	64,953 / 0.27 %
Brahim Chioua	Brahim Chioua	138,238	-	138,238 / 0.58 %
Alain de la Mata	Edgefilm Ltd.	-	69,788	69,788 / 0.29 %
Mahmood Ebraheem Al Mahmood	ADS Securities LLC	-	175,516	175,516 / 0.73 %
Free flaot	-	285,674	-	285,674 / 1.19 %
Total				**23,942,755 / 100.00 %**

[1] Full chain: Lars Windhorst; Serene Holdings Ltd.; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.

[2] Full chain: Sébastien Moerman; Noble Trust Company AG; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.

[3] Full chain: Mike Beattie; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.

[4] Voltaire Finance B.V. was a wholly owned subsidiary of Sapinda Holding B.V. (renamed to Tennor Holding B.V.), until the shares of Voltaire Investment B.V., the direct holding company of Voltaire Finance B.V., were transferred in their entirety to Zuglex Trustee AG.

Different voting rights, if any, of the Issuer's major shareholders

The voting rights of these principal shareholders of the Issuer do not differ from the voting rights of the other shareholders.

Direct or indirect control over the Issuer and nature of such control

The majority shareholder, Voltaire Finance B.V. ("**Voltaire**"), currently directly controls 96.20 % of the voting rights in the Issuer and is, therefore, considered to hold a controlling interest in the Issuer pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

B.7 Selected key historical financial information

The financial information summarized below for the financial years 2017 and 2018 is taken or derived from the Issuer's consolidated financial statements for the years ended 31 December 2017 and 31 December 2018 (the "**IFRS Financial Statements**") and the Issuer's management reporting and accounting records. The IFRS Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union. The IFRS Financial Statements were audited by Mazars GmbH & Co. KG ("**Mazars**"). Mazars issued an unqualified audit opinion (*uneingeschränkter Bestätigungsvermerk*) with respect to the IFRS Financial Statements.

I. Information from the Income Statement

Position	2018	2017
	(audited, in EUR thousand)	
Revenue..	81,282	101,420
Other film related income...	5,419	7,722

Total Income	**86,702**	**109,141**
Cost of Sales	-73,757	-91,157
Gross Profit	**12,945**	**17,985**
Other operating income	3,248	9,404
Administration costs	-22,428	-21,663
Other operating expenses	-269	-4,991
Operating Result	**-6,503**	**734**
Finance income	1,038	897
Finance Costs	-7,652	-6,809
Result of an associate or joint venture	33	-258
Finance result	**-6,581**	**-6,170**
Profit/(loss) before tax	**-13,085**	**-5,436**
Income tax	-182	-1,241
Net income	**-13,267**	**-6,677**
Minority interest in profit or loss	-262	-440
Profit/(loss) attributable to shareholders	**-13,005**	**-6,237**
Weighted average number of shares (no.)[1,2]	2,044,075	2,044,075
Potential number of diluted shares (no.)[2]	2,044,075	2,044,075
Total weighted average number of shares (no.)[1,2]	2,044,075	2,044,075
Earnings per share[2]		
Basic earnings per share (€ per share)	-6.36	-3.05
Diluted earning per share (€ per share)	-6.36	-3.05

[1)] Weighted average number of shares incorporates the decrease of the registered share capital of the Issuer from EUR 81,763,015 to EUR 81,763,000 and, subsequently, at a ratio of 40 to 1, from EUR 81,763,000 to EUR 2,044,075 entered in the commercial register (*Handelsregister*) of the Issuer on 26 November 2018.

[2)] The decrease of the registered share capital was conducted in the form of a simplified capital decrease which did not result in a reduction of the resources of the Issuer. Therefore, weighted average number of shares, potential number of diluted shares, total weighted average number shares and subsequently basic earnings per share as well as diluted earnings per share for the fiscal year 2017 were adjusted according to IAS 33.64.

II. Information from the Statement of Financial Position

Position	As of 31 December 2018	2017
	(audited, in EUR thousand)	
Assets		
Goodwill	124,454	124,454
Intangible assets	63,829	81,689
Tangible assets	1,143	1,156
Other financial assets	1,403	2,511
Investments accounted for using the equity method	1,550	1,516
Deferred tax assets.	1,781	1,736
Other non-current accounts	548	1,290
Non-current assets	**194,708**	**214,352**
Inventories and work in progress.	1,710	1,299
Accounts receivables and related accounts	34,764	36,020
Income tax receivables	382	350
Other financial assets[1]	12,295	14,781
Other non-financial assets[1]	9,236	9,051
Cash and cash equivalent	18,583	6,593
Current assets	**76,970**	**68,094**
Total assets	**271,677**	**282,446**

Liabilities and Equity		
Shareholders equity - Group	67,945	81,151
Minority interest	-268	24
Shareholders equity	**67,677**	**81,175**
Retirement and related commitments	762	645
Non-current provision	25	25
Deferred tax liability	2,693	2,881
Non-current debt	24,418	48,459
Other non-current liabilities	913	1,009
Non-current liabilities	**28,812**	**53,019**
Current provision	2,645	2,915
Current debt	92,345	44,123
Suppliers - accounts payables	42,735	52,077
Contractual liabilities[2]	10,418	-
Income tax payables	535	57
Other financial liabilities[3]	19,738	24,631
Other non-financial liabilities[3]	6,773	24,449
Current liabilities	**175,189**	**148,252**
Total equity and liabilities	**271,677**	**282,446**

[1)] In the fiscal year 2018, Other assets were split into Other financials assets and Other non-financial assets in the balance sheet and not in the notes to the consolidated financial statements. The prior year disclosure in the balance sheet was adjusted accordingly.
[2)] Due to the first-time adoption of IFRS 15 Revenue from contracts with customers the Issuer recognizes Contractual liabilities in the fiscal year 2018. The Issuer did not retroactively apply IFRS 15. Hence this balance sheet position did not exist in the fiscal year 2017.
[3)] In the fiscal year 2018, Other liabilities were split into Other financials liabilities and Other non-financial liabilities in the balance sheet and not in the notes to the consolidated financial statements. The prior year disclosure in the balance sheet was adjusted accordingly.

III. Information from the Cash Flow Statement

Position	2018	2017
	(audited, in EUR thousand)	
Consolidated net result	**-13,267**	**-6,677**
Depreciation, amortization, impairments and write-ups	34,371	42,979
Result from investments accounted for using the equity method	-33	258
Changes in provisions	-153	-1,184
Changes in deferred taxes	-233	-223
Other non-cash income and expenses	-198	270
Changes in trade receivables	1,546	4,935
Changes in trade payables	-9,337	-15,434
Changes in other assets and liabilities	-7,188	1,495
Cashflow from operating activities	**5,509**	**26,418**
Proceeds from disposals of intangible assets, property plant and equipment	2,555	6,328
Proceeds from disposals of consolidated subsidiaries and business units, less cash and cash equivalents given up	0	1
Proceeds from disposals of non-current financial assets (incl. repayment of the vendor loan)	0	387
Purchases of intangible assets	-18,879	-44,510
Purchases of property, plant and equipment	-180	-57
Purchases of investments in non-current financial assets	-72	-1,600
Cash flow from investing activities	**-16,575**	**-39,450**

Proceeds from other financial liabilities	22,426	36,172
Repayments of other financial liabilities	-1,045	-23,682
Cash flow from financing activities	**21,381**	**12,490**
Cash flow-related changes in cash and cash equivalents	**10,315**	**-542**
Changes in cash and cash equivalents due to exchange rates	0	-35
Cash and cash equivalents at the beginning of period	6,593	7,170
Cash and cash equivalents at end of period	**16,907**	**6,593**
Cash flows contained in cash flow from operating activities		
Income taxes paid	-651	-1,369
Income taxes received	50	113
Interest paid	-2,532	-5,170
Interest received	21	12

In the independent auditor's report 2017, the Issuer's auditors made the following statement in relation to the Wild Bunch Group's liquidity planning:

"The liquidity planning of the Wild Bunch Group is based on the assumption that the financial restructuring being implemented will successfully have been concluded and that sufficient financial funds can be made available to the entities of the Group so that the Group can meet its financial obligations and make the required investments in acquiring film distribution rights and in developing new marketing strategies. A risk exists that these assumptions, on which the planning was based, will not lead to achieving the goals set. In such a case the further development of the Group would be impaired and the existence of the Group as a going concern would be in jeopardy.

AUDIT APPROACH AND FINDINGS

As part of our audit, we traced the liquidity planning prepared by the Group and assessed the plausibility of the underlying assumptions. We examined the suitability of the considerations for the financial restructuring measures. Furthermore, we acknowledged the external expert opinion on restructuring that was prepared as a part of the restructuring process.

After having intensively discussed the planning and the underlying assumptions with management, we have come to the conclusion that the assumptions and goals planned are plausible. Furthermore, we have examined the possible event of the risks occurring as presented in Section “Material Uncertainty in Connection with Group Continuing as a Going Concern”. With respect to the financial restructuring planned, we interviewed the Management Board and gained the knowledge that no indications existed that spoke against a successful implementation of the restructuring measures to be introduced during the time period when the audit was being performed. Also after 31 December 2017 up to the date of the auditor’s report, we convinced ourselves that the financing bank (through a waiver letter) intended to maintain its commitment to the overall restructuring concept and not to call in the loan in the case of a breach of the financial covenants.

After having considered the financial restructuring measures to be introduced by Wild Bunch, we are of the opinion that the liquidity planning on the whole has elements of risk but is plausible."

In the independent auditor's report 2018, the Issuer's auditors made the following statement in relation to the Wild Bunch Group's liquidity planning:

"The liquidity planning of the Wild Bunch Group is based on the assumption that the financial restructuring being implemented will successfully have been concluded and that sufficient financial funds can be made available to the entities of the Group so that the Group can meet its financial obligations and make the required investments in acquiring

		film distribution rights and in developing new marketing strategies. A risk exists that these assumptions, on which the planning was based, will not lead to achieving the goals set. In such a case the further development of the Group would be impaired and the existence of the Group as a going concern would be in jeopardy. AUDIT APPROACH AND FINDINGS As part of our audit, we traced the liquidity planning prepared by the Group and assessed the plausibility of the underlying assumptions. We examined the suitability of the considerations for the financial restructuring measures. After having intensively discussed the planning and the underlying assumptions with management, we have come to the conclusion that the assumptions and goals planned are plausible. Furthermore, we have examined the possible event of the risks occurring as presented in Section "Material Uncertainty in Connection with Group Continuing as a Going Concern". With respect to the further financial restructuring planned, we interviewed the Management Board and gained the knowledge that no indications existed that spoke against a successful implementation of the restructuring measures to be introduced during the time period when the audit was being performed. Also after 31 December 2018 up to the date of the auditor's report, we convinced ourselves that the measures described in the supplementary report of the notes to the consolidated financial statements (section 5.12) have been implemented and that the available funds are available to the Group unchanged. After having considered the financial restructuring measures to be introduced by Wild Bunch, we are of the opinion that the liquidity planning on the whole has elements of risk but is plausible."
	Significant changes to the Issuer's financial condition and operating results during and subsequent to the period covered by the historical key financial information	On 15 June 2018, the Issuer entered into a restructuring framework agreement. The financial restructuring measures agreed therein comprise (a) a decrease in the Issuer's registered share capital (*Grundkapital*) at a ratio of 40 to 1, (b) an increase in the Issuer's share capital against contributions in kind in the form of the bond issued by Issuer in 2016 with an aggregate nominal amount of EUR 18,000,000 ("**Debt-Equity Swap I"**), and (c) an additional increase in the Issuer's share capital against contributions in kind in the form of certain payment claims of French banks and film funding companies against Wild Bunch S.A. and other French companies of the Wild Bunch Group which were acquired by Voltaire and, subsequently, with a value of EUR 36,597,360 contributed by Voltaire to the Issuer ("**Debt-Equity Swap II**"). Originally, the Issuer intented to complete these restructuring measures by the End of 2018. Under the Debt-Equity Swap I, 3,600,000 new shares were issued to the Issuer's former bondholders. The completion (*Durchführung*) of the Debt-Equity Swap I was entered in the Commercial Register of the Issuer on 14 March 2019. Under the Debt-Equity Swap II, 18,298,680 new shares were issued to Voltaire. The completion (*Durchführung*) of the Debt-Equity Swap II was entered in the Commercial Register of the Issuer on 12 April 2019. As of the date of this Prospectus, the Issuer's shares include 21,898,680 new shares resulted from the debt-equity swaps, for which application has been made for the admission to trading on the Frankfurt Stock Exchange and which are subject to this Prospectus. As a result of the delay of these restructuring measures, neither the financial liabilities nor the interest expenses of the Wild Bunch Group have already been reduced in the reporting year 2018. Therefore, it was only possible to invest EUR 18,879,000 in new films in 2018 instead of the planned EUR 25,000,000. The continuing weakness of investment activity caused a decline in sales in the fiscal year due to a lower number of attractive first-run revenues. The Wild Bunch Group was also unable to escape the restraint in the market for library titles. Further, restructuring costs were higher than expected. These factors had an

		overall negative impact on the Issuer's financial position, financial performance, cash flows or trading position, in particular: - *Revenue:* Revenue decreased by 19.9% from EUR 101,420,000 in 2017 to EUR 81,282,000 in 2018, primarily due to lower investments in film rights. This was below the figures forecast by management, who were expecting a significant decline in comparison with the previous year (EUR 101,420,000). The theatrical field in particular did not meet expectations. In the International sales, distribution and film production segment, revenues of EUR 76,370,000 (previous year: EUR 97,082,000) were generated, while the Other segment generated revenues of EUR 4,912,000 (previous year: EUR 4,338,000). - *Operating Result*: Caused by additional higher restructuring costs, the EBIT forecast was not met. The Earnings before interest and taxes amounted to EUR -6,503,000, significantly below the previous year figure of EUR 734,000. - *Cash Flow*: Influenced by the Issuer's result for the financial year 2018, cashflow from operating activities decreased from EUR 26,418,000 in 2017 to EUR 5,509,000 in 2018. Due to lower investments in intangible assets in 2018 of EUR 18,879,000 the cashflow from investing activities declined from EUR -39,450,000 in 2017 to EUR -16,575,000 in 2018. The increased cashflow from financing activities of EUR 21,381,000 in 2018 from EUR 12,490,000 in 2017 resulted solely from the closing of the bridge facilities agreement with Tennor Holding B.V. (formerly named Sapinda Holding B.V.). - *Equity*: Total equity changed from EUR 81,175,000 as of 31 December 2017 to EUR 67,677,000 as of 31 December 2018. This change primarily resulted from our result for the period, which amounted to a loss of EUR 13,267,000 in 2018. On 15 February 2019, Voltaire published a voluntary takeover offer (*freiwilliges Übernahmeangebot*). The objective of Voltaire's voluntary takeover offer was to avoid having to submit a mandatory offer (*Pflichtangebot*) pursuant to sec. 35 WpÜG following the implementation of the Debt-Equity Swaps the implementation of which would have resulted in Voltaire holding more than 30% of the voting rights of the Issuer and, as a consequence, in the obligation to make such mandatory offer. As of the date of this Prospectus, the financial restructuring covered the following measures in relation to the Wild Bunch Group's debt financing: Already in 2017, the Issuer entered into a EUR 30,000,000 revolving credit facility agreement with Bank Leumi (UK) plc as lender. In relation to such agreement, Voltaire commited itself in a deed of agreement dated 14 July 2018 to purchase for cash all claims outstanding for the amount outstanding from Bank Leumi (UK) plc by 19 July 2019, which are not repaid by the Issuer or Wild Bunch S.A. by such date. In the course of the recent restructuring of the Wild Bunch Group, the Issuer's majority shareholder, Voltaire, entered into a EUR 26,455,981.81 shareholder loan agreement which summarized, restructured and replaced existing French debt of certain Wild Bunch Group companies from past film projects. On 13 May 2019, Voltaire as creditor entered into a further EUR 40,000,000 working capital and acquisition credit facility agreement with the Issuer, which replaced an existing EUR 27,000,000 bridge loan and provides further capital to strengthen the working capital base and acquisition abilities of the Wild Bunch Group companies. Except as described above, there have been no significant changes to our financial position, financial performance, cash flows or trading position between 31 December 2018 and the date of this Prospectus.
B.8	**Selected key pro forma financial information**	Not applicable. This Prospectus does not contain pro forma financial information.

B.9	**Profit forecast or estimate**	For the financial year 2019, the Issuer expects consolidated EBIT to be in the range of EUR -2,000,000 to EUR -4,000,000 before non-recurring effects in connection with restructuring measures. These special effects include the result of the capital increases through contributions in kind carried out in March and April 2019, as well as costs in connection with the refinancing of the outstanding financial liabilities to Bank Leumi planned for 2019 and the simplification and streamlining of the Group structure.
B.10	**Qualifications in the audit report on the historical financial information**	Not applicable. The independent auditor's reports on the historical audit report on the financial information included in this Prospectus have been issued without qualification.
B.11	**Insufficiency of the issuer's working capital for its present requirements**	Not applicable. The Issuer is of the opinion that the Wild Bunch Group companies are in a position to meet the payment obligations that become due within at least the next twelve months.

Section C – Securities

Element		
C.1	**Type and class of the securities, including any security identification number**	This Prospectus relates to bearer shares resulting from recent capital increases of the Issuer against contribution in kind with no-par value (Debt-Equity Swap I and Debt-Equity Swap II), each with a notional interest of EUR 1.00 in the share capital ("**New Shares**"). The New Shares carry full dividend rights from 1 January 2019. The New Shares have ISIN DE000A2TSLZ0 and the WKN A2TSLZ.
C.2	**Currency of the securities issue**	Euro
C.3	**The number and notional value of shares issued and fully paid**	As of the date of this Prospectus the registered share capital (*Grundkapital*) of the Issuer amounts to EUR 23,942,755 and is divided into 23,942,755 ordinary bearer shares with no-par value (*Stückaktien*). The share capital has been fully paid up.
C.4	**A description of the rights attached to the securities**	Each Issuer's share carries one vote at the Issuer's shareholders' meeting. The New Shares carry full dividend rights as from 1 January 2019.
C.5	**Restrictions on the free transferability of the securities**	Not applicable. The Issuer's shares, including the New Shares, are freely transferable in accordance with the legal requirements for ordinary bearer shares. There are no restrictions on the transferability of the shares in the Issuer's articles of association (the "**Articles of Association**").
C.6	**Application for admission to trading on a regulated market and identity of regulated markets where the securities are to be traded**	Application has been made for the admission to trading of 21,898,680 New Shares of the Issuer on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), each of such New Shares issued pursuant to two capital increases resolved by the Issuer's general shareholder meeting dated 26 September 2018.
C.7	**Dividend policy**	The Issuer does not intend to pay dividends in the foreseeable future.

Section D – Risks

Element		
D.1	**Key risks specific to the Issuer's investments and business**	Key risks specific to the Issuer's investments and business are the following: - **The Wild Bunch Group faces strong competition**. Market changes in the field of cinema and home entertainment, such as decreasing viewer figures or increasing competition, could result in a decline in prices for productions or licensed products. The expiry of framework agreements or a deterioration of license holders' financial situations can lead to a decrease in the purchase prices of licenses, threatening the value of existing film rights. A strong competitive environment could lead to decreasing margins, in particular in cinema distribution. If these risks realise in whole or in part, the Issuer may experience a material adverse effect on its assets, financial condition, cash flows and results of operations. - **The Wild Bunch Group depends on customers and business partners** In its direct sales, the Wild Bunch Group depends on the large German, French, Italian and Spanish TV broadcasters, IPTV providers, VOD/SVOD platforms and DVD retailers. A considerable proportion of the guaranteed minimum investment amount is covered by sublicense distribution rights for films and TV series. Attainable margins may be lower than planned due to the strong position or decrease of demand of these broadcasters or platforms. In such case, the Issuer may experience adverse effects on its assets, financial condition, cash flows and results of operations. - **The Issuer or Wild Bunch Group companies may cease to have access to licenses and material**. The Issuer's and Wild Bunch Group companies' access to and acquisition of rights to literary source material, distribution rights and screenplays, along with concluding contracts with successful directors, actors and licensors, are crucial factors in the co-production and acquisition of films and TV series and for the commercial success of the Wild Bunch Group. The Wild Bunch Group's production units work closely with reputable, experienced screenplay writers, directors and producers, who are experts in producing films for the big screen and have a reputation with public film funding institutions. However, it cannot be guaranteed that access to such sources will be available in the future. - **The Wild Bunch Group depends on film funding.** Unfavourable changes in funding guidelines for film projects or the (partial) refusal to grant funds that had been expected could result in the Issuer facing gaps in financing for its own productions and co-productions that then have to be covered using other free funds or a change to medium-term production plans, having a negative impact on the earnings contributions made by individual films. There is also the risk that certain payment or distribution conditions are not met. The failure to abide by these conditions can result in the Issuer being compelled to pay back the relevant funding. - **The Wild Bunch Group's activities expose the Wild Bunch Group to liquidity risk**. In particular, the Issuer entered into certain credit facility agreements with Bank Leumi (UK) plc or its majority shareholder, Voltaire Finance B.V., which contain certain covenants and events of default provisions. If a covenant breach and/or an event of default occurs, payments under the respective credit agreement can be declined or the agreement could be terminated. In such case, the Wild Bunch Group

		could be forced to take up replacement financing to unfavourable conditions or, as the case may be, could not find any replacement or bridge financing at all. This would have a servere adverse effect on the Issuer's financial condition and may cause insolvency. - **The Issuer's depends on its major creditor**. Voltaire is a major creditor of the Issuer. Therefore, the Issuer and the Wild Bunch Group are exposed to Voltaire's credit risk and its ability and willingness to fulfil its subsidiary's obligations *vis-à-vis* the Issuer. In particular, Voltaire entered into a EUR 26,455,981.81 shareholder loan agreement and a further EUR 40,000,000 working capital and acquisition credit facility. Already in 2017, the Issuer entered into a EUR 30,000,000 revolving credit facility agreement with Bank Leumi (UK) plc as lender. In relation to such agreement, Voltaire commited itself in a deed of agreement dated 14 July 2018 to purchase for cash all claims outstanding for the amount outstanding from Bank Leumi (UK) plc by 19 July 2019, which are not repaid by the Issuer or Wild Bunch S.A. by such date. If Voltaire and/or Voltaire are not able or willing to fulfil its respective obligations *vis-à-vis* the Issuer, this would have a servere adverse effect on the Issuer's financial condition and may cause insolvency. - **The Issuer depends on external funding.** The Issuer's profits for the period 2017 and 2018 declined due to a decline in sales significantly caused by less production and acquisition activity of cinematic content due to insufficient availability of funds. Although the Issuer entered into a financial restructuring which is, as of the date of this Prospectus, completed in material parts, the Issuer may require additional capital to finance future growth, especially for the investment in new film rights. If the Issuer is not able to raise the required capital on economically acceptable terms, or at all, it may be forced to limit or even scale back its operations, which may adversely affect its growth, business and market share or may even cause insolvency. - **The Issuer depends on its members of management.** The Wild Bunch Group's future performance depends in material parts on the service and actions of the Wild Bunch Group's management board. It is expected that the Issuer's management board members will cease service within the next two years. It cannot be excluded that this cessation of service could have a material adverse effect on the Wild Bunch Group's business and results of operation. - **The implementation of the operational restructuring concept of the Wild Bunch Group could fail.** The Issuer's profits for the period 2017 and 2018 declined due to a decline in sales significantly caused by less production and acquisition activity of cinematic content due to insufficient availability of funds. Therefore, the Wild Bunch Group has planed and initiated various operational measures to restructure the Wild Bunch Group. There is a possibility that key assumptions underlying the operational restructuring concept may prove to be incorrect or that the planned measures may prove to be inadequate. A failure of essential parts of the operational restructuring concept for the aforementioned reasons could have a material adverse effect on the business, financial condition, cash flows, results of operations and prospects. - **The complex organizational structure of the Wild Bunch Group** operating in various jurisdictions may affect the Issuer's ability to efficiently file financial reports. The Issuer may not be able to file accurate financial reports or file financial reports or other required notifications on time. This could cause official proceedings or other regulatory consequences which in turn could have a material adverse

		effect on the Wild Bunch Group's assets, financial condition, cash flows and results of operations.
D.3	**Key risks specific to the securities**	Key risks specific to the New Shares are the following: - **There is risk of conflicting interest of the Issuer's major shareholder with other shareholders or the Issuer.** The Issuer's major shareholder, Voltaire Finance B.V., holds approximately 96.20% of the voting rights in the Issuer and thus a majority stake in Wild Bunch AG. It cannot be ruled out that the interests of such major shareholder may conflict with the interests of the other shareholders or the Issuer. Depending on the presence at the Issuer's general shareholders' meeting ("**General Shareholders' Meeting**"), the major shareholder could adopt without supporting votes of other shareholders all resolutions of fundamental importance, including changes to the Issuer's articles of association, capital measures, mergers, liquidiation or the squeeze-out of other shareholders. Conflicts between the interests of the major shareholder and those of the Wild Bunch AG or its other shareholders may have a material adverse effect on the business, financial condition and results of operations. - **There is risk of termination of important contracts due to change of control**. The Issuer's major shareholder has a stake of approximately 96.20% of the voting rights after the implementation of the takeover offer and the capital increases by way of contribution in kind, which result in a change of control at the Issuer. Such a change of control can trigger termination rights in important contracts. This could force the Issuer to early repay outstanding debt under such agreements, which could have a material adverse effect on the business, financial condition, cash flows, results of operations and prospects. - **The Issuer does not expect to pay any dividends in the foreseeable future** which adversely affects expected cash flows from the Issuer's shares for potential investors. - **Illiquid secondary markets for the Issuer's shares.** There is no guarantee that active trading activities in the Issuer's shares will develop or be maintained. In particular, since the Issuer's major shareholder owns a stake of approximately 96.20% of the Issuer's share capital and (beside other shareholders) there remains only a free float of approximately 1.19%, it cannot be excluded that little or no trading activity occur. The failure to develop or maintain an active trading may affect the liquidity of the Issuer's shares, and the Issuer cannot assure that the market price of its shares will not decline. Consequently, investors may not be in a position to sell their shares in the Issuer quickly or at or above the price they purchased the Issuer's shares. - **The Issuer is a holding company** with no direct cash generating operations and relies on operating subsidiaries to provide it with funds necessary to meet its financial obligations. Therefore, the Issuer is dependent on loans, dividends and other payments from subsidiaries to generate funds necessary to meet its financial obligations. - **There are risks due to the volatility of the Wild Bunch share**. The market price of the Issuer's shares has been very volatile in the past. It cannot therefore be ruled out that the market price of the Issuer's shares will be subject to major fluctuations in the future. In addition, periodic fluctuations in the Wild Bunch Group's earnings can lead to fluctuations in the share price. Significant fluctuations could cause investors to lose all or part of their investment.

		- **The Wild Bunch Group faces risks from infringements of capital market laws and regulations**. The Issuer is a company listed in the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The Issuer cannot exclude that infringements of capital market laws and regulations occur and internal control systems of the Issuer fail. This can result in material administrative fines, damage claims of thirdparties and damages of the Wild Bunch Group's reputation. - **Future offerings of debt or equity securities by the Issuer** could adversely affect the market price of the Issuer's shares, and future capitalization measures could substantially dilute the interests of the Issuer's existing shareholders.

Section E – Offer

Element		
E.1	**The total net proceeds, estimate of the total expenses of the offering and listing, including estimated expenses charged to the investor by the Issuer**	This Prospectus does not relate to any offer of New Shares. The total expense of the Issuer related to the admission to trading of the New Shares ("**Admission to Trading**") are expected to total approx. EUR 602,527, consisting of EUR 8,540 admission fee for the Frankfurt Stock Exchange, EUR 218,987 for listing services of Quirin Bank, approx. EUR 280,000 for legal services and EUR 95,000 for audit services. Investors will not be charged expenses by the Issuer.
E.2a	**Reasons for the offer, use of proceeds, estimated net amount of the proceeds**	Not applicable. This Prospectus does not relate to any offer of New Shares.
E.3	**Terms and conditions of the offer**	Not applicable. This Prospectus does not relate to any offer of New Shares.
E.4	**A description of any interest that is material to the issue/offer including conflicting interests**	Not applicable. This Prospectus does not relate to any offer of New Shares. However, Quirin Bank is acting for the Issuer in connection with the listing of the New Shares. As they receive a fee for its services in connection with the listing, Quirin Bank has a financial interest in the listing. Quirin Bank as a full service financial institution is continuously engaging in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. Therefore, Quirin Bank has, and may from time to time in the future continue to have, business relations with the Issuer or its affiliated companies or the major shareholder of the Issuer or may perform services for the Issuer or its affiliated companies in the ordinary course of business for which they have received or may receive customary fees and commissions. Except for the aforementioned interests, there are no interests, conflicting interests or potential conflicting interests which are material to the listing.
E.5	**Name of the person or entity offering to sell the security.** **Lock-up agreement: the parties involved; and indication of the period of the lock-up**	Not applicable. This Prospectus does not relate to any offer of New Shares. From 16 April 2019 until the date falling six months after the Admission to Trading has expired (the "**Restricted Period**"), Voltaire as majority shareholder of the Issuer will neither directly nor indirectly, without the prior written consent of Quirin Bank: - offer, pledge, allot, distribute, sell, contract to sell, market, transfer or otherwise dispose of any shares of the Issuer held by Voltaire ("**Restricted Shares**"); - grant, issue or sell any option or conversion rights on any Restricted Shares of WBAG - purchase any option to sell, grant any option, right or warrant to purchase, transfer to another person or otherwise dispose of, directly or indirectly any Restricted Shares; - vote in favour of a proposed increase of the share capital of the Issuer (including authorised capital);

		- vote in favour of a proposed issuance (or authorization of the management board to effect such issuance) of financial instruments constituting or including options or warrants convertible into or entitling to receive delivery of shares of the Issuer; - enter into a transaction or perform any action economically similar to those described above, in particular enter into any swap or other agreement that transfers to another person, in whole or in part, the economic risk of ownership of Restricted Shares, whether any such transaction is to be settled by delivery of Restricted Shares, in cash or otherwise, in each case other than for the purposes of the admission to trading and other than the pledge over the Restricted Shares pursuant to a share pledge agreement dated 29 March 2019 between Voltaire as pledgor and TMF Trustee Services GmbH as security trustee for the bondholders of the EUR 200,000,000 7.00 per cent. senior secured bonds due 26 July 2023 issued by Voltaire. The restrictions shall terminate automatically if the Admission to Trading does not take place prior to 31 December 2019 or on such earlier date on which the Issuer's management board and/or supervisory board decide or resolve to cancel the Admission to Trading. By virtue of an amendment agreement dated 28 May 2019, 4,379,736 of the Restricted Shares were released from the restrictions set out in such lock-up agreement.
E.6	**Amount and percentage of immediate dilution resulting from the offering**	Not applicable. This Prospectus does not relate to any offer of New Shares.
E.7	**Estimated expenses charged to the investor by the Issuer or the offeror**	Not applicable. This Prospectus does not relate to any offer of New Shares. Save for customary banking fees, Investors will not be charged expenses by the Issuer or Quirin Bank.

2. GERMAN TRANSLATION OF THE SUMMARY

*Zusammenfassungen bestehen aus geforderten Angaben, die als Punkte ("**Punkte**") bezeichnet werden. Diese Punkte sind in den Abschnitten A – E (A.1 – E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Punkte, die für die vorliegende Art von Wertpapier und Emittentin in eine Zusammenfassung aufzunehmen sind. Da einige Punkte nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Punkt wegen der Art des Wertpapiers und der Emittentin in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf diesen Punkt keine relevanten Informationen gegeben werden können. In solchen Fällen enthält die Zusammenfassung eine kurze Beschreibung des Punkts mit dem Hinweis "Entfällt".*

Abschnitt A – Einleitung und Warnhinweise

Punkt		
A.1	**Warnhinweise**	Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden. Der Anleger sollte sich bei jeder Entscheidung zur Anlage in die Wertpapiere auf die Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten der Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Die Wild Bunch AG, Berlin (die "**Emittentin**", "**Wild Bunch**", "**WBAG**" und zusammen mit ihren voll konsolidierten Tochtergesellschaften, der "**Wild Bunch Gruppe**"), zusammen mit Quirin Privatbank AG, Kurfürstendamm 119, 10711 Berlin ("**Quirin Bank**"), haben nach § 5 Abs. 2b Nr. 4 Wertpapierprospektgesetz die Verantwortung für den Inhalt dieser Zusammenfassung und ihrer deutschen Übersetzung übernommen. Diejenigen Personen, die die Verantwortung für die Zusammenfassung einschließlich etwaiger Übersetzungen hiervon übernommen haben oder von denen der Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.
A.2	**Zustimmung zur Verwendung des Prospekts**	Entfällt. Eine Zustimmung der Emittentin zur Verwendung dieses Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung der Aktien der Emittentin durch Finanzintermediäre wurde nicht erteilt.

Abschnitt B – Wild Bunch AG – Emittentin

Punkt		
B.1	**Gesetzliche und kommerzielle Bezeichnung der Emittentin**	Die juristische Bezeichnung der Emittentin ist "Wild Bunch AG". Die Emittentin ist die Holding-Gesellschaft der Wild Bunch Gruppe und betreibt ihre Geschäfte unter der kommerziellen Bezeichnung "Wild Bunch".
B.2	**Sitz / Rechtsform / geltendes Recht/ Land der Gründung der Emittentin**	Die Emittentin hat ihren satzungsmäßigen Sitz in der Knesebeckstrasse 59-61, 10719 Berlin, Deutschland, und ist im Handelsregister des Amtsgerichts Charlottenburg, Deutschland, unter HRB 68059 eingetragen. Die Emittentin ist eine Aktiengesellschaft, die in Deutschland gegründet wurde und dem Recht der Bundesrepublik Deutschland unterliegt.
B.3	**Derzeitige Geschäfts- und Haupttätigkeit sowie Hauptmärkte, auf denen die Emittentin vertreten ist**	Die Emittentin ist die Holding-Gesellschaft der Wild Bunch Gruppe. Die Wild Bunch Gruppe ist ein unabhängiges europäisches Filmvertriebs- und Produktionsdienstleistungsunternehmen. Die Wild Bunch Gruppe ist in den Bereichen Akquisition, Film- und TV-Finanzierung, Co-Produktion, Filmverleih und internationaler Vertrieb tätig. Die Wild Bunch Gruppe bietet eine breite Palette von Dienstleistungen im Direktvertrieb an. Mit seinen Vertriebskanälen Wild Bunch International Sales, Elle Driver, Versatile und Wild Bunch TV hat das Unternehmen ein weltweites Vertriebsnetz im internationalen Vertrieb aufgebaut, das den Direktvertrieb in fünf Ländern umfasst: Frankreich mit Wild Bunch Distribution SAS und Wild Side Video SAS, Italien mit BIM Distribuzione S.r.l., Deutschland mit Wild Bunch Germany GmbH und Central Film Verleih GmbH und Österreich mit Wild Bunch Austria und Spanien mit Vértigo Films S.L. Mit dem VOD (Video-on-Demand) / SVOD (Subscription Video-on-Demand) Service FilmoTV in Frankreich positionierte sich Wild Bunch auch im Markt des elektronischen Direktvertriebs frühzeitig. Darüber hinaus ist Wild Bunch auch im Bereich der Filmproduktion tätig, unter anderem mit der Marke Senator Film Produktion mit Sitz in Berlin. Mit der Gründung des Labels Wild Bunch TV wurden die Produktionsaktivitäten seit 2015 weiter ausgebaut. Das neue Label konzentriert sich auf die Koproduktion, Kofinanzierung und den Vertrieb von TV-Serien für den internationalen TV-Markt. Die Aktivitäten der Wild Bunch Gruppe betreffen im Wesentlichen Frankreich, Italien, Spanien, Deutschland und Österreich. Die Geschäftsfelder der Wild Bunch Gruppe sind entlang der Wertschöpfungskette des Filmgeschäfts tätig und umfassen die vier Geschäftsfelder Produktion, internationaler Vertrieb, Verleih und Sonstiges. Die ersten drei Geschäftsfelder (Internationaler Vertrieb, Verleih und Produktion) bilden das Kerngeschäft der Wild Bunch Gruppe "Internationaler Vertrieb und Verleih sowie Filmproduktion", das vierte Geschäftsfeld ist das Segment "Sonstige". Die Wild Bunch Gruppe verfügt derzeit über eine Bibliothek von über 2.500 Filmen und Fernsehserien, die eine Vielzahl von Genres abdecken, und vertreibt bis zu 50 neue Independent-Filme pro Jahr. Die Größe und Qualität der Filmbibliothek haben die Unternehmen der Wild Bunch Gruppe zu einem entscheidenden Partner für Käufer gemacht, von Fernsehsendern bis hin zu Anbietern von digitalen Videoinhalten. Der Inhaltskatalog der Wild Bunch Gruppe umfasst Regie-, Art-House-, Genre- und Mainstream-Titel sowie Dokumentationen. Er umfasst lokale, internationale und englischsprachige Titel. Die Wild Bunch Gruppe ist überzeugt, dass die Förderung und Vermarktung von Inhalten anspruchsvolle Fähigkeiten erfordert. Die Unternehmen der Wild Bunch Gruppe haben daher alternative Vermarktungsansätze entwickelt, die weitgehend auf neuen

		elektronischen Vertriebskanälen und der Umstrukturierung der Prozessplanung basieren. Damit positioniert sich die Wild Bunch Gruppe auf dem elektronischen Direktvertriebsmarkt, zum Beispiel mit ihrer französischen VOD/SVOD-Plattform FilmoTV. Darüber hinaus hat die Wild Bunch Gruppe nach eigenen Recherchen als eine der ersten Verleihfirmen in Europa Online-Kino-Dienstleistungen (e-Cinema) über ein alternatives Vertriebsmodell angeboten, um "Event-Filme" und deren wirtschaftliches Potenzial in der Öffentlichkeit zu bewerben. Angesichts des weltweit steigenden Marktanteils von VOD und der begrenzten Verfügbarkeit von Kinosälen bietet Wild Bunch diese Filme entweder direkt an eine Reihe von VOD-Diensten oder, soweit gesetzlich zulässig, gleichzeitig über VOD und eine begrenzte Anzahl von Kinos an. Nach Einschätzung der Emittentin gehören zu den wichtigsten Stärken der Wild Bunch Gruppe: - weitreichendes Beziehungsnetzwerk mit Talenten und ihren Vertretern (Schauspielern, Drehbuchautoren, Regisseure, Produzenten, Agenten usw.) - Die Wild Bunch Gruppe profitiert von ihrem anerkannten Markenimage. - innovative Auswahl an Spielfilmen und Fernsehserien mit Fokus auf lokale Inhalte und Premium Independent Filme. - Wettbewerbsvorteil zur Diversifizierung des Investitionsrisikos einzelner Filme durch ein europaweites Geschäftsmodell. - Eine starke Verhandlungsposition gegenüber Vertriebspartnern. - Vermarktung von Inhalten über digitale Kanäle. - Die Wild Bunch Gruppe verfügt über diversifizierte Einnahmequellen in verschiedenen Vertriebskanälen, z.B. Theater, Video, TV und Elektronik. - Branchenerfahrung spiegelt sich in der umfangreichen Content-Bibliothek wider, die über 2.500 Titel umfasst. - anerkanntes Vertriebs-Know-how, welches es ermöglicht, gefilmte Unterhaltungsinhalte weltweit zu monetarisieren. - Einheitlicher und organisationsübergreifender Prozess für den Ankauf von Filmrechten (d.h. "Greenlighting"-Prozess) sichert die Profitabilität. - erfahrenes Managementteam mit langjähriger Erfahrung in der Filmindustrie. Die Erschließung neuer Marktsegmente ist ein wesentlicher Bestandteil der Wachstumsstrategie der Wild Bunch Gruppe. Da sich die Wild Bunch Gruppe angesichts der Digitalisierung und des Wandels vom linearen Fernsehkonsum zum On-Demand-TV als Vorreiter bei der Entwicklung innovativer Lösungen für Produktion, Vertrieb und internationalen Vertrieb versteht, gestaltet sie diesen radikalen Paradigmenwechsel aktiv mit und vermarktet Inhalte kontinuierlich über digitale Kanäle. Maßgeschneiderte, attraktive Inhalte und Services für den Entertainmentbereich sind das Ziel von Wild Bunch, um in den kommenden Jahren profitables Wachstum zu erzielen. Im Rahmen ihrer langfristigen Unternehmensstrategie möchte die Wild Bunch Gruppe ihre geografische und inhaltliche Expansion vorantreiben. Mit dem im September 2015 gegründeten Label Wild Bunch TV konzentriert sich die Wild Bunch Gruppe auf die Koproduktion, Kofinanzierung und Vermarktung internationaler TV-Serien. Unter dem Label Wild Bunch Digital begann die Wild Bunch Gruppe im Oktober 2017 mit der Entwicklung einer einheitlichen digitalen Strategie für ihre Produkte. Neben der weiteren Erschließung bestehender Märkte sind die Entwicklung ganz neuer Marktsegmente und innovativer Lösungen in Produktion, Vertrieb und Logistik sowie die Frage der geografischen Expansion wichtige Elemente der langfristigen Unternehmensstrategie.

<table>
<tr>
<td>B.4a</td>
<td>Wichtigste jüngste Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken</td>
<td>

In der Branche gibt es eine Reihe bedeutender Trends, insbesondere eine stark steigende Nachfrage nach hochwertigen Inhalten, die rasante Digitalisierung der Filmindustrie sowie die Internationalisierung und Konzentration der Geschäftstätigkeit.

Die zunehmende Digitalisierung in der Film- und Unterhaltungsindustrie führt immer wieder zu neuen und vielfältigen Inhalten und verändertem Sehverhalten, was wiederum zu zusätzlichen Akteuren wie Multichannel-Netzwerken oder SVOD-Diensten führt wie Amazon Prime Video von Amazon.com, Inc. und Netflix von Netflix, Inc., die zunehmend in den Kernmärkten von Wild Bunch vertreten sind. Dieser rasante Fortschritt bei der Digitalisierung führt zu mehr Wahlmöglichkeiten für den Verbraucher.

Die Internationalisierung und Konzentration des Filmgeschäfts ist ein weiterer Markttrend. Da der technologische Wandel mit voller Kraft voranschreitet, mussten die traditionellen Medienunternehmen reagieren, um angesichts von Giganten wie Amazon.com, Inc. und iTunes von Apple, Inc. wettbewerbsfähig zu bleiben. In diesem Markt wurden diverse große Übernahmen durchgeführt. So wurde 21st Century Fox von The Walt Disney Company im März 2019 gekauft, oder WarnerMedia LLC von AT&T Inc. im Juni 2018.

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<tr>
<td>B.5</td>
<td>Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe</td>
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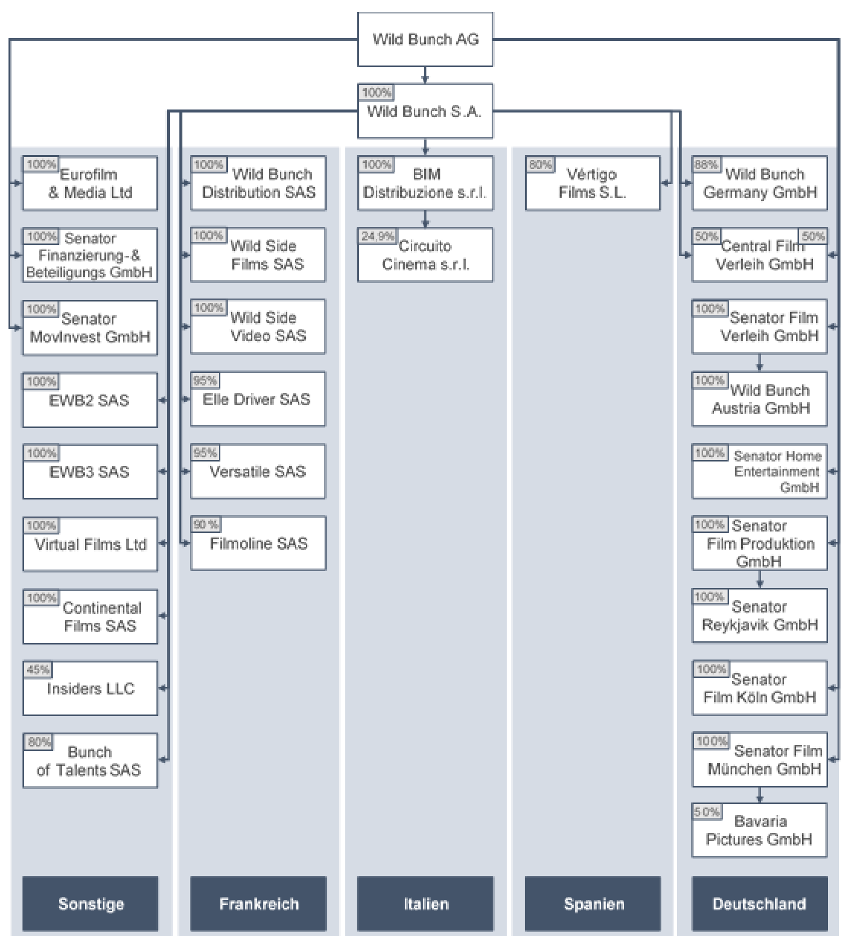
Die Emittentin ist die Holding-Gesellschaft der Wild Bunch Gruppe. Die Wild Bunch Gruppe umfasst 30 Unternehmenseinheiten. Die Wild Bunch Gruppe besteht aus der Emittentin und ihrer hundertprozentigen Tochtergesellschaft, der Wild Bunch S.A., jeweils zusammen mit ihren konsolidierten Tochtergesellschaften.

Der nachfolgende Chart gibt einen Überblick der wesentlichen Anteile der Emittentin zum 31. Dezember 2018:



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B.6 **Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital der Emittentin und den Stimmrechten halten**

Die Emittentin ist eine börsennotierte Gesellschaft. Die folgende Tabelle zeigt nach bestem Wissen und Gewissen die direkten und indirekten Aktionäre der Emittentin, die zum Datum dieses Prospekts direkt oder indirekt ein meldepflichtiges Interesse am Kapital und an den Stimmrechten der Emittentin im Sinne der §§ 33 ff. des Wertpapierhandelsgesetzes sowie an den Anteilen des öffentlichen Streubesitzes haben:

Registrierte Person	**Direkter Aktionär**	**Anzahl der Stimmrechte der Registrierten Person**		
		Direkt	**Indirekt**	**Gesamt**
Lars Windhorst[1] Sébastien Moerman[2] Mike Beattie[3]	Voltaire Finance B.V.[4]	-	23.032.998	23.032.998 / 96,20 %
Vincent Grimond	Vincent Grimond	175.588	-	175.588 / 0,73 %
Vincent Maraval	Vincent Maraval	64.953	-	64.953 / 0,27 %
Brahim Chioua	Brahim Chioua	138.238	-	138.238 / 0,58 %
Alain de la Mata	Edgefilm Ltd.	-	69.788	69.788 / 0,29 %
Mahmood Ebraheem Al Mahmood	ADS Securities LLC	-	175.516	175.516 / 0,73 %
Free flaot	-	285.674	-	285.674 / 1,19 %
Gesamt				**23.942.755 / 100.00 %**

[1] Meldekette: Lars Windhorst; Serene Holdings Ltd.; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.

[2] Meldekette: Sébastien Moerman; Noble Trust Company AG; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.

[3] Meldekette: Mike Beattie; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.

[4] Voltaire Finance B.V. war eine 100%ige Tochtergesellschaft der Sapinda Holding B.V. (nunmehr firmierend unter Tennor Holding B.V.), bis die Anteile der Voltaire Investment B.V., der direkten Holdinggesellschaft der Voltaire Finance B.V., gänzlich auf die Zuglex Trustee AG übertragen wurden.

Unterschiedliche Stimmrechte der wesentlichen Aktionäre der Emittentin, sofern zutreffend

Die Stimmrechte dieser Hauptaktionäre der Emittentin unterscheiden sich nicht von den Stimmrechten der anderen Aktionäre.

Unmittelbare oder mittelbare Kontrolle über die Emittentin und Art der Kontrolle

Der Mehrheitsaktionär, die Voltaire Finance B.V. ("**Voltaire**"), kontrolliert derzeit direkt 96,20 % der Stimmrechte an der Emittentin und wird daher nach dem Wertpapiererwerbs- und Übernahmegesetz als Mehrheitsaktionär an der Emittentin angesehen.

B.7 **Ausgewählte wesentliche historische Finanzinformationen**

Die nachstehend zusammengefassten Finanzinformationen für die Geschäftsjahre 2017 und 2018 sind entnommen bzw. abgeleitet aus dem Konzernabschluss der Emittentin für die Geschäftsjahre zum 31. Dezember 2017 und zum 31. Dezember 2018 (die "**IFRS-Abschlüsse**") und den Lageberichten der Emittentin. Die IFRS-Abschlüsse wurden in Übereinstimmung mit den International Financial Reporting Standards, wie in der Europäischen Union umgesetzt, erstellt. Die IFRS-Abschlüsse wurden von der Mazars

GmbH & Co. KG ("**Mazars**") geprüft. Mazars hat den IFRS-Abschlüssen einen uneingeschränkten Bestätigungsvermerk erteilt.

I. Konzerngewinn- und Verlustrechnung

Position	2018	2017
	(geprüft, in tausend EUR)	
Umsatzerlöse	81.282	101.420
Sonstige filmbezogene Erträge	5.419	7.722
Betriebserträge	**86.702**	**109.141**
Herstellungskosten der zur Erzielung der Umsatzerlöse erbrachten Leistungen	-73.757	-91.157
Bruttogewinn	**12.945**	**17.985**
Sonstige betriebliche Erträge	3.248	9.404
Verwaltungsaufwendungen	-22.428	-21.663
Sonstige betriebliche Aufwendungen	-269	-4.991
Ergebnis vor Finanzergebnis und Ertragsteuern	**-6.503**	**734**
Finanzerträge	1.038	897
Finanzaufwendungen	-7.652	-6.809
Ergebnis assoziierter Unternehmen oder Gemeinschaftsunternehmen	33	-258
Finanzergebnis	**-6.581**	**-6.170**
Konzernergebnis vor Ertragsteuern	**-13.085**	**-5.436**
Steuern vom Einkommen und vom Ertrag	-182	-1.241
Konzernergebnis	**-13.267**	**-6.677**
Ergebnisanteil nicht beherrschender Gesellschafter	-262	-440
Ergebnisanteil der Anteilseigner	**-13.005**	**-6.237**
Gewichtete durchschnittliche Anzahl von Aktien (Stück)[1,2]	2.044.075	2.044.075
Potenziell verwässerte Anzahl Aktien (Stück)[2]	2.044.075	2.044.075
Gewichteter Durchschnitt aller Aktien (Stück)[1,2]	2.044.075	2.044.075
Ergebnis je Aktie[2]		
Unverwässertes Ergebnis je Aktie (€ pro Aktie)	-6,36	-3,05
Verwässertes Ergebnis je Aktie (€ pro Aktie)	-6,36	-3,05

[1)] Die gewichtete durchschnittliche Anzahl der Aktien beinhaltet die Herabsetzung des Grundkapitals der Emittentin von EUR 81.763.015 auf EUR 81.763.000 und anschließend im Verhältnis 40 zu 1 von EUR 81.763.000 auf EUR 2.044.075, die im Handelsregister am 26. November 2018 eingetragen worden sind.
[2)] Die Herabsetzung des Grundkapitals erfolgte in Form einer vereinfachten Kapitalherabsetzung, die bei der Emittentin zu keinem Abfluss von Ressourcen geführt hat. Daher wurde die gewichtete durchschnittliche Anzahl von Aktien, die potenziell verwässerte Anzahl Aktien, der gewichtete Durchschnitt aller Aktien und entsprechend das unverwässerte Ergebnis je Aktie sowie das verwässerte Ergebnis je Aktie gemäß IAS 33.64 angepasst.

II. Konzernbilanz Aktiva und Passiva zum 31. Dezember

Position	Zum 31 December 2018	2017
	(geprüft, in tausend EUR)	
Vermögenswerte		
Geschäfts- oder Firmenwert	124.454	124.454
Immaterielle Vermögenswerte	63.829	81.689
Sachanlagen	1.143	1.156
Finanzanlagen	1.403	2.511
Anteile an assoziierten Unternehmen und Gemeinschaftsunternehmen	1.550	1.516
Aktive latente Steuern.	1.781	1.736

Sonstige Vermögenswerte	548	1.290
Summe langfristige Vermögenswerte	**194.708**	**214.352**
Vorräte.	1.710	1.299
Forderungen aus Lieferungen und Leistungen	34.764	36.020
Forderungen aus Steuern vom Einkommen und Ertrag	382	350
Sonstige finanzielle Vermögenswerte[1]	12.295	14.781
Sonstige nicht-finanzielle Vermögenswerte[1]	9.236	9.051
Liquide Mittel	18.583	6.593
Summe kurzfristige Vermögenswerte	**76.970**	**68.094**
Bilanzsumme	**271.677**	**282.446**

Verbindlichkeiten und Eigenkapital		
Anteile der Aktionäre der Wild Bunch AG	67.945	81.151
Anteile anderer Gesellschafter	-268	24
Summe Eigenkapital	**67.677**	**81.175**
Pensionsverpflichtungen	762	645
Rückstellungen	25	25
Passive latente Steuern	2.693	2.881
Finanzverbindlichkeiten	24.418	48.459
Sonstige Verbindlichkeiten	913	1.009
Summe langfristige Verbindlichkeiten	**28.812**	**53.019**
Rückstellungen	2.645	2.915
Finanzverbindlichkeiten	92.345	44.123
Verbindlichkeiten aus Lieferungen und Leistungen	42.735	52.077
Vertragsverbindlichkeiten[2]	10.418	-
Verbindlichkeiten aus Steuern vom Einkommen und vom Ertrag	535	57
Sonstige finanzielle Verbindlichkeiten[3]	19.738	24.631
Sonstige nicht-finanzielle Verbindlichkeiten[3]	6.773	24.449
Summe kurzfristige Verbindlichkeiten	**175.189**	**148.252**
Bilanzsumme	**271.677**	**282.446**

[1)] Im Geschäftsjahr 2018 wurden die Position Sonstige Vermögenswerte in der Bilanz und nicht im Konzernanhang getrennt in Sonstige finanzielle Vermögenswerte und Sonstige nicht-finanzielle Vermögenswerte ausgewiesen. Der Ausweis in der Bilanz des Vorjahres wurde entsprechend angepasst.
[2)] Aufgrund der erstmaligen Anwendung von IFRS 15 Erlöse aus Verträgen mit Kunden weist die Emittentin im Geschäftsjahr 2018 Vertragsverbindlichkeiten aus. Die Emittentin wendet IFRS 5 nicht rückwirkend an. Daher gab es diese Bilanzposition im Geschäftsjahr 2017 nicht.
[3)] Im Geschäftsjahr 2018 wurden die Position Sonstige Verbindlichkeiten in der Bilanz und nicht im Konzernanhang getrennt in Sonstige finanzielle Verbindlichkeiten und Sonstige nicht-finanzielle Verbindlichkeiten ausgewiesen. Der Ausweis in der Bilanz des Vorjahres wurde entsprechend angepasst.

III. Konzernkapitalflussrechnung

Position	**2018**	**2017**
	(geprüft, in tausend EUR)	
Konzernfehlbetrag	**-13.267**	**-6.677**
Abschreibungen / Zuschreibungen	34.371	42.979
Ergebnis der nach der Equity-Methode einbezogenen Unternehmen	-33	258
Veränderung der Rückstellungen	-153	-1.184
Veränderung der latenten Steuern	-233	-223
Sonstige zahlungsunwirksame Erträge und Aufwendungen	-198	270
Veränderung der Forderungen aus Lieferungen und Leistungen	1.546	4.935

Veränderung der Verbindlichkeiten aus Lieferungen und Leistungen	-9.337	-15.434
Veränderung der übrigen Aktiva und Passiva	-7.188	1.495
Cashflow aus laufender Geschäftstätigkeit	**5.509**	**26.418**
Einzahlungen aus Abgängen von immateriellen Vermögenswerten sowie Sachanlagen	2.555	6.328
Einzahlungen aus Abgängen von konsolidierten Tochterunternehmen und Geschäftseinheiten abzüglich abgegebener Zahlungsmittel	0	1
Einzahlungen aus dem Abgang von Finanzanlagen inkl. Tilgung des Verkäuferdarlehens	0	387
Investitionen in immaterielle Vermögenswerte	-18.879	-44.510
Investitionen in Sachanlagen	-180	-57
Investitionen in Finanzanlagen	-72	-1.600
Cashflow aus Investitionstätigkeit	**-16.575**	**-39.450**
Aufnahme von sonstigen Finanzverbindlichkeiten	22.426	36.172
Tilgung von sonstigen Finanzverbindlichkeiten	-1.045	-23.682
Cashflow aus Finanzierungstätigkeit	**21.381**	**12.490**
Zahlungswirksme Veränderung des Finanzmittelfonds	**10.315**	**-542**
Wechselkursbedingte Veränderungen des Finanzmittelfonds	0	-35
Finanzmittelfonds am Anfang der Periode	6.593	7.170
Finanzmittelfonds am Ende der Periode	**16.907**	**6.593**
Im Cashflow aus laufender Geschäftstätigkeit enthaltene Ein- und Auszahlungen		
Gezahlte Ertragsteuern	-651	-1.369
Erhaltene Ertragsteuern	50	113
Gezahlte Zinsen	-2.532	-5.170
Erhaltene Zinsen	21	12

Im Bestätigungsvermerk des Abschlussprüfers zum Geschäftsbericht 2017 hat der Wirtschaftsprüfer der Emittentin die folgende Erklärung im Zusammenhang mit der Beurteilung der Liquiditätsplanung der Wild Bunch Gruppe abgegeben:

"Die Liquiditätsplanung der Wild Bunch Gruppe basiert auf der Annahme, dass die eingeleitete finanzielle Restrukturierung erfolgreich abgeschlossen wird und den Konzerngesellschaften ausreichend finanzielle Mittel zur Verfügung gestellt werden können um ihren finanziellen Verpflichtungen nachzukommen sowie notwendige Investitionen in weitere Filmverleihrechte und neue Vermarktungsstrategien zu tätigen. Es besteht das Risiko, dass die Annahmen, die der Planung zugrunde liegen, nicht erreicht werden können. Hierdurch wäre die weitere Entwicklung des Konzerns beeinträchtigt und deren Bestand gefährdet. Vor diesem Hintergrund erachten wir die Beurteilung der Liquiditätsplanung des Konzerns als besonders wichtigen Prüfungssachverhalt.

PRÜFERISCHES VORGEHEN UND ERKENNTNISSE

Im Rahmen unserer Prüfung haben wir die vom Konzern aufgestellte Liquiditätsplanung inhaltlich nachvollzogen und die zugrunde gelegten Annahmen verplausibilisiert. Die zutreffende Berücksichtigung der finanziellen Restrukturierungsmaßnahmen in der Planung haben wir überprüft. Des Weiteren haben wir zur Beurteilung der Planung ein im Rahmen des Restrukturierungsprozesses erstelltes externes Sanierungsgutachten gewürdigt.

Wir kommen nach intensiver Diskussion der Planung und der zugrundeliegenden Annahmen mit dem Vorstand zu dem Schluss, dass die zugrundeliegenden Annahmen und Planziele plausibel sind. Wir haben uns weiterhin mit dem möglichen Eintritt der im Abschnitt „Wesentliche Unsicherheit im Zusammenhang mit der Fortführung der Unternehmenstätigkeit“ aufgeführten Risiken auseinandergesetzt. Hinsichtlich der

		geplanten finanziellen Restrukturierung haben wir den Vorstand befragt und sind zur Erkenntnis gekommen, dass diesem zum Prüfungszeitpunkt keine Anhaltspunkte vorliegen, die gegen die erfolgreiche Umsetzung der eingeleiteten Maßnahmen sprechen. Wir haben uns des Weiteren auch nach dem 31. Dezember 2017 bis zum Datum des Bestätigungsvermerks davon überzeugt, dass die finanzierende Bank (im Rahmen einer Stillhaltevereinbarung) beabsichtigt ihr Engagement im Rahmen eines Gesamtrestrukturierungskonzeptes aufrechtzuerhalten und derzeit ein Fälligstellen des Kreditvertrages bei Nichteinhaltung von Covenants nicht beabsichtigt ist. Unter Berücksichtigung der durch die Wild Bunch Gruppe eingeleiteten finanziellen Restrukturierungsmaßnahmen kommen wir zu der Auffassung, dass die Liquiditätsplanung insgesamt risikobehaftet, aber plausibel ist." Im Bestätigungsvermerk des Abschlussprüfers zum Geschäftsbericht 2018 hat der Wirtschaftsprüfer der Emittentin die folgende Erklärung im Zusammenhang mit der Beurteilung der Liquiditätsplanung der Wild Bunch Gruppe abgegeben: "Die Liquiditätsplanung der Wild Bunch Gruppe basiert auf der Annahme, dass die eingeleitete finanzielle Restrukturierung erfolgreich abgeschlossen wird und den Konzerngesellschaften ausreichend finanzielle Mittel zur Verfügung gestellt werden können um ihren finanziellen Verpflichtungen nachzukommen sowie notwendige Investitionen in weitere Filmverleihrechte und neue Vermarktungsstrategien zu tätigen. Es besteht das Risiko, dass die Annahmen, die der Planung zugrunde liegen, nicht erreicht werden können. Hierdurch wäre die weitere Entwicklung des Konzerns beeinträchtigt und deren Bestand gefährdet. Vor diesem Hintergrund erachten wir die Beurteilung der Liquiditätsplanung des Konzerns als besonders wichtigen Prüfungssachverhalt. PRÜFERISCHES VORGEHEN UND ERKENNTNISSE Im Rahmen unserer Prüfung haben wir die vom Konzern aufgestellte Liquiditätsplanung inhaltlich nachvollzogen und die zugrunde gelegten Annahmen verplausibilisiert. Die zutreffende Berücksichtigung der finanziellen Restrukturierungsmaßnahmen in der Planung haben wir überprüft. Wir kommen nach intensiver Diskussion der Planung und der zugrundeliegenden Annahmen mit dem Vorstand zu dem Schluss, dass die zugrundeliegenden Annahmen und Planziele plausibel sind. Wir haben uns weiterhin mit dem möglichen Eintritt der im Abschnitt „Wesentliche Unsicherheit im Zusammenhang mit der Fortführung der Unternehmenstätigkeit" aufgeführten Risiken auseinandergesetzt. Hinsichtlich der geplanten finanziellen Restrukturierung haben wir den Vorstand befragt und sind zur Erkenntnis gekommen, dass diesem zum Prüfungszeitpunkt keine Anhaltspunkte vorliegen, die gegen die erfolgreiche Umsetzung der eingeleiteten Maßnahmen sprechen. Für den Zeitraum nach dem 31. Dezember 2018 bis zum Datum des Bestätigungsvermerks haben wir uns überzeugt, dass die im ergänzenden Bericht des Konzernanhangs (Abschnitt 5.12) beschriebenen Maßnahmen umgesetzt wurden und die verfügbaren Mittel der Gruppe unverändert zur Verfügung stehen. Unter Berücksichtigung der durch die Wild Bunch Gruppe eingeleiteten finanziellen Restrukturierungsmaßnahmen kommen wir zu der Auffassung, dass die Liquiditätsplanung insgesamt risikobehaftet, aber plausibel ist."
	Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses der Emittentin in oder nach dem von den wesentlichen historischen	Am 15. Juni 2018 hat die Emittentin eine Restrukturierungsrahmenvereinbarung abgeschlossen. Die finanziellen Restrukturierungsmaßnahmen, welche darin vereinbart wurden, umfassen (a) eine Herabsetzung des Grundkapitals der Emittentin im Verhältnis von 40 zu 1, (b) eine Erhöhung des Grundkapitals der Emittentin gegen Sacheinlagen in Form der von der Emittentin im Jahr 2016 begebenen Anleihe mit einem Gesamtnennbetrag von EUR 18.000.000 ("**Debt-Equity Swap I**") und (c) eine weitere Erhöhung des Grundkapitals der Emittentin gegen Sacheinlagen in Form von bestimmten Zahlungsansprüchen französischer Banken und Filmfinanzierungsgesellschaften gegen

	Finanzinformationen abgedeckten Zeitraum	Wild Bunch S.A. und andere französische Unternehmen der Wild Bunch Gruppe, welche von der Voltaire erworben wurden. und anschließend mit einem Wert von EUR 36.597.360, in die Emittentin eingebracht wurden ("**Debt-Equity Swap II**"). Ursprünglich beabsichtigte die Emittentin die Restrukturierungsmaßnahmen zum Ende 2018 abzuschließen. Im Rahmen des Debt-Equity-Swaps I wurden 3.600.000 neue Aktien an die ehemaligen Anleihegläubiger der Emittentin ausgegeben. Die Durchführung des Debt-Equity Swaps I wurde am 14. März 2019 in das Handelsregister eingetragen. Im Rahmen des Debt-Equity Swaps II wurden 18.298.680 neue Aktien an Voltaire ausgegeben. Die Durchführung des Debt-Equity Swaps II wurde am 12. April 2019 in das Handelsregister eingetragen. Zum Datum dieses Prospekts enthalten die Aktien der Emittentin 21.898.680 neue Aktien, die aus den Debt-Equity Swaps stammen und für die die Zulassung zum Handel an der Frankfurter Wertpapierbörse beantragt wurde und welche Gegenstand dieses Prospekts sind. Durch die Verzögerung dieser Restrukturierungsmaßnahmen konnten im Berichtsjahr 2018 weder die Finanzverbindlichkeiten noch die Zinsaufwendungen der Wild Bunch Gruppe reduziert werden. Daher konnten nur EUR 18.879.000 in neue Filme investiert werden statt der ursprünglich geplanten EUR 25.000.000. Die anhaltend schwache Investitionstätigkeit führte zu einem Umsatzrückgang aufgrund einer geringeren Anzahl attraktiver Erstumsätze. Auch die Wild Bunch Gruppe konnte sich der Zurückhaltung auf dem Markt für Bestandstitel nicht entziehen. Darüber hinaus waren die Restrukturierungskosten höher als erwartet. Diese Faktoren wirkten sich insgesamt negativ auf unsere Finanzlage, Finanzleistung, Cashflows oder Handelsposition aus, insbesondere: - *Umsatz*: Der Umsatz verringerte sich von EUR 101.420.000 im Jahr 2017 um 19,9% auf EUR 81.282.000 im Jahr 2018, hauptsächlich aufgrund geringerer Investitionen in Filmrechte. Dies lag unter den Prognosen des Managements, das einen deutlichen Rückgang im Vergleich zum Vorjahr (EUR 101.420.000) erwartete. Insbesondere der Theaterbereich entsprach nicht den Erwartungen. Im Segment Internationaler Vertrieb, Vertrieb und Filmproduktion wurden Umsätze in Höhe von EUR 76.370.000 (Vorjahr: EUR 97.082.000) erzielt, während das Segment Sonstiges Umsatzerlöse in Höhe von EUR 4.912.000 (Vorjahr: EUR 4.338.000) erwirtschaftete. - *Betriebsergebnis*: Die EBIT-Prognose wurde aufgrund zusätzlicher hoher Restrukturierungskosten nicht erreicht. Das Ergebnis vor Zinsen und Steuern lag mit EUR -6.503.000 deutlich unter dem Vorjahreswert von EUR 734.000. - *Kapitalflüsse* (*Cash Flows*): Die Kapitalflüsse aus laufender Geschäftstätigkeit sind durch das Ergebnis für das Geschäftsjahr 2018 beeinflusst und ging von EUR 26.418.000 im Jahr 2017 auf EUR 5.509.000 im Jahr 2018 zurück. Aufgrund niedriger Investitionen in immaterielle Vermögenswerte im Jahr 2018 von EUR 18.879.000 gingen die Kapitalflüsse aus Investitionstätigkeit von EUR -39.450.000 im Jahr 2017 auf EUR -16.575.000 im Jahr 2018 zurück. Die gestiegenen Kapitalflüsse aus Finanzierungstätigkeit von EUR 21.381.000 im Jahr 2018 von EUR 12.490.000 im Jahr 2017 resultieren aus dem Abschluss eines Überbrückungsdarlehens mit Tennor Holding B.V. (vormals firmierend unter Sapinda Holding B.V.). - *Eigenkapital*: Das Eigenkapital hat sich von EUR 81.175.000 zum 31. Dezember 2017 auf EUR 67.677.000 zum 31. Dezember 2018 verändert. Diese Veränderung resultiert im Wesentlichen aus unserem Periodenergebnis, das einen Verlust von EUR 13.267.000 auswies. Am 15. Februar 2019 veröffentlichte Voltaire ein freiwilliges Übernahmeangebot. Ziel dieses freiwilligen Übernahmeangebots war es, zu vermeiden, dass ein Pflichtangebot gemäß Ziff. 35 WpÜG nach der Umsetzung der Debt-Equity-Swaps abgegeben werden

		musste. Die Umsetzung der Debt-Equity-Swaps hätte dazu geführt, dass Voltaire mehr als 30% der Stimmrechte der Emittentin gehalten und damit die Verpflichtung zu einem solchen Pflichtangebot gehabt hätte. Zum Datum dieses Prospekts umfasst die finanzielle Restrukturierung die folgenden Maßnahmen in Bezug auf die Fremdfinanzierung der Wild Bunch Gruppe: Die Emittentin hatte bereits im Jahr 2017 eine revolvierende Kreditfazilität in Höhe von EUR 30.000.000 abgeschlossen, mit der Bank Leumi (UK) plc als Kreditgeber. In Bezug auf diese Vereinbarung verpflichtete sich Voltaire in einer Erklärung vom 14. Juli 2018, alle ausstehenden Forderungen in Höhe des ausstehenden Gesamtbetrags zum 19. Juli 2019 gegen Barzahlung von der Bank Leumi (UK) plc zu erwerben. Weiterhin wurde im Zuge der jüngsten Umstrukturierung der Wild Bunch Gruppe durch den Mehrheitsaktionär der Emittentin, Voltaire, in ein Gesellschafterdarlehensvertrag über EUR 26,455,981.81 eingetreten, welcher die bestehenden Schulden einiger französischer Gesellschaften der Wild Bunch Gruppe zusammenfasst, umstrukturiert und ersetzt. Am 13. Mai 2019 schloss Voltaire als Kreditgeber mit der Emittentin einen Geschäftskapital- und Akquisitionskreditvertrag in Höhe von EUR 40.000.000, die ein bestehendes Überbrückungsdarlehen in Höhe von EUR 27.000.000 ablöste und weiteres Kapital bereitstellt, um die Working Capital-Basis und die Akquisitionsfähigkeiten der Wild Bunch-Gruppe zu stärken. Außer wie oben beschrieben, haben sich zwischen dem 31. Dezember 2018 und dem Datum dieses Prospekts keine wesentlichen Änderungen in Bezug auf unsere Finanzlage und das Betriebsergebnis ergeben.
B.8	**Ausgewählte wesentliche Pro-forma-Finanzinformationen**	Entfällt. Dieser Prospekt enthält keine wesentlichen Pro-forma-Finanzinformationen.
B.9	**Gewinnprognosen oder -schätzungen**	Für das Geschäftsjahr 2019 erwartet die Emittentin ein Konzern-EBIT in einer Bandbreite von EUR -2.000.000 bis EUR -4.000.000 vor Sondereffekten im Zusammenhang mit Restrukturierungsmaßnahmen. Diese Sondereffekte umfassen das Ergebnis aus den im März bzw. April 2019 durchgeführten Sachkapitalerhöhungen sowie Kosten im Zusammenhang mit der noch in 2019 geplanten Refinanzierungen der noch offenen Finanzverbindlichkeiten gegenüber Bank Leumi bzw. der Vereinfachung und Verschlankung der Konzernstruktur.
B.10	**Art etwaiger Beschränkungen im Bestätigungs-vermerk zu den historischen Finanz-informationen**	Entfällt. Die in diesem Prospekt enthaltenen historischen Finanzinformationen wurden mit uneingeschränktem Bestätigungsvermerk versehen.
B.11	**Geschäftskapital der Emittentin zur Erfüllung bestehender Anforderungen nicht ausreichend**	Entfällt. Die Emittentin ist der Ansicht, dass die Gesellschaften der Gruppe sämtliche Zahlungsverpflichtungen erfüllen können, die mindestens in den nächsten zwölf Monaten fällig werden.

Abschnitt C – Wertpapiere

Punkt		
C.1	**Gattung und Art der Wertpapiere, einschließlich der Wertpapierkenn-nummer**	Dieser Prospekt bezieht sich auf den Inhaber lautende Stückaktien der Emittentin ohne Nennbetrag, jeweils mit einem anteiligen Betrag des Grundkapitals von EUR 1,00, welche aus den jüngsten Sachkapitalerhöhungen der Emittentin (Debt-Equity-Swap I und Debt-Equity-Swap II) entstanden sind (die "**Neuen Aktien**"). Die Neuen Aktien gewähren volle Dividendenberechtigung ab dem 1. Januar 2019. Die Neuen Aktien haben die ISIN DE000A2TSLZ0 und WKN A2TSLZ.
C.2	**Währung der Wertpapieremission**	Euro
C.3	**Zahl und Nennbetrag der ausgegebenen und voll eingezahlten Aktien**	Das eingetragene Grundkapital der Emittentin beträgt zum Datum dieses Prospekts EUR 23.942.755,00 und ist eingeteilt in 23.942.755 nennwertlose Inhaberaktien (*Stückaktien*). Das Grundkapital ist voll eingezahlt.
C.4	**Beschreibung der mit den Wertpapieren verbundenen Rechte**	Jede Aktie der Emittentin berechtigt zu einer Stimme in der Hauptversammlung der Emittentin. Die Aktien der Emittentin sind ab dem 1. Januar 2019 voll dividendenberechtigt.
C.5	**Beschränkungen für die freie Übertragbarkeit der Wertpapiere**	Entfällt. Die Aktien der Emittentin sind in Übereinstimmung mit den gesetzlichen Bestimmungen für auf den Namen lautende Stammaktien frei übertragbar. Die Satzung der Emittentin (die "**Satzung**") schränkt die freie Übertragbarkeit der Aktien nicht ein.
C.6	**Antrag auf Zulassung der Wertpapiere zum Handel an einem geregelten Markt und Nennung aller geregelten Märkte, an denen die Wertpapiere gehandelt werden sollen**	Der Antrag auf Zulassung zum Handel von insgesamt 21.898.680 Neue Aktien der Emittentin am regulierten Markt der Frankfurter Wertpapierbörse wurde gestellt, jede dieser Neuen Aktien begeben aufgrund zweier Kapitalerhöhungen, welche bei der Hauptversammlung der Emittentin vom 26. September 2018 beschlossen wurden.
C.7	**Dividendenpolitik**	Die Emittentin wird in der vorhersehbaren Zukunft keine Dividenden zahlen.

Abschnitt D – Risiken

Punkt		
D.1	**Schlüsselrisiken, die den Investitionen der Emittentin und ihrer Branche eigen sind**	Die folgenden Schlüsselrisiken sind Investitionen der Emittentin und ihrer Branche eigen: - **Die Wild Bunch Gruppe ist starkem Wettbewerb ausgesetzt**. Marktveränderungen im Bereich Kino und Home Entertainment, wie sinkende Zuschauerzahlen oder zunehmender Wettbewerb, können zu einem Preisrückgang bei Produktionen oder Lizenzprodukten führen. Das Auslaufen von Rahmenvereinbarungen oder eine Verschlechterung der finanziellen Situation der Lizenzinhaber kann zu einem Rückgang der Ankaufspreise für Lizenzen führen und den Wert bestehender Filmrechte gefährden. Ein starkes Wettbewerbsumfeld könnte insbesondere im Kinovertrieb zu sinkenden Margen führen. Wenn sich diese Risiken ganz oder teilweise realisieren, könnte die Emittentin einen wesentlichen negativen Effekt auf ihre Vermögens- Finanz- und Ertrtagslage verzeichnen. - **Die Wild Bunch Gruppe ist abhängig von Kunden und Geschäftspartnern.** Im Direktvertrieb ist die Wild Bunch Gruppe von den großen deutschen, französischen, italienischen und spanischen Fernsehsendern, IPTV-Anbietern, VOD / SVOD-Plattformen und DVD-Händlern abhängig. Ein erheblicher Teil des garantierten Mindestinvestitionsbetrags ist durch Unterlizenzvertriebsrechte für Filme und TV-Serien abgedeckt. Die erzielbaren Margen können aufgrund der starken Position oder des Nachfragerückgangs dieser Sender oder Plattformen niedriger als geplant sein. In diesem Fall könnte die Emittentin negative Auswirkungen auf ihre Vermögens- Finanz- und Ertragslage verzeichnen. - **Die Emittentin oder die Unternehmen der Wild Bunch Gruppe könnten möglicherweise keinen Zugang zu Lizenzen und Material mehr haben.** Der Zugang und der Erwerb von Rechten an literarischen Quellen, Vertriebsrechten und Drehbüchern sowie der Abschluss von Verträgen mit erfolgreichen Regisseuren, Schauspielern und Lizenzgebern der Emittentin und der Wild Bunch Gruppe sind entscheidende Faktoren für deren wirtschaftlichen Erfolg. Die Produktionseinheiten der Wild Bunch Gruppe arbeiten eng mit renommierten, erfahrenen Drehbuchautoren, Regisseuren und Produzenten zusammen, die Experten für die Produktion von Filmen für die Kinoleinwand sind und bei öffentlichen Filmfinanzierungsinstitutionen einen guten Ruf haben. Es kann jedoch nicht garantiert werden, dass der Zugang zu solchen Quellen zukünftig verfügbar ist. - **Die Wild Bunch Gruppe hängt von der Filmfinanzierung ab**. Nachteilige Änderungen der Finanzierungsrichtlinien für Filmprojekte oder die (teilweise) verweigerte Vergabe von Finanzmitteln, die erwartet wurden, könnten dazu führen, dass die Emittentin Finanzierungslücken für seine eigenen Produktionen und Co-Produktionen hat, die dann mit anderen freien Mitteln gedeckt werden müssen oder eine Umstellung auf mittelfristige Produktionspläne bewirken, was sich negativ auf die Ergebnisbeiträge der einzelnen Filme auswirkt. Es besteht auch das Risiko, dass bestimmte Zahlungs- oder Vertriebsbedingungen nicht erfüllt werden. Die Nichteinhaltung dieser Bedingungen kann dazu führen, dass der Emittent die entsprechenden Finanzmittel zurückzahlen muss.

		- **Die Aktivitäten der Wild Bunch Gruppe setzen sie Liquiditätsrisiken aus.** Die Emittentin hat mit der Bank Leumi (UK) plc oder ihrem Mehrheitsaktionär, der Voltaire Finance B.V., Kreditverträge abgeschlossen, die bestimmte Verpflichtungen (*Covenants*) und außerordentliche Kündigungsrechte (*Events of Default*) enthalten. Bei einem Verstoß gegen die Covenants und / oder bei einem Ausfall kann eine erwartete Zahlung aus dem jeweiligen Kreditvertrag abgelehnt werden oder der Vertrag könnte vom Kreditgeber außerordentlich gekündigt werden. In diesem Fall könnte die Wild Bunch Gruppe gezwungen sein, eine Ersatzfinanzierung zu ungünstigen Bedingungen aufzunehmen oder könnte überhaupt keine Ersatz- oder Überbrückungsfinanzierung finden. Dies hätte erhebliche nachteilige Auswirkungen auf die Finanzlage der Emittentin zu folge, welche in die Insolvenz der Emittentin münden können. - **Die Emittentin hängt von ihrem Hauptgläubiger ab**. Voltaire ist der Hauptgläubiger der Emittentin. Daher sind die Emittentin und die Wild Bunch Gruppe dem Kreditrisiko von Voltaire sowie deren Fähigkeit und Bereitschaft ausgesetzt, die Verpflichtungen ihrer Tochtergesellschaft gegenüber der Emittentin zu erfüllen. Insbesondere hat die Voltaire ein Gesellschafterdarlehen in Höhe von EUR 26.455.981,81 und eine weitere Kreditfinanzierung in Höhe von EUR 40.000.000 zur Verfügung gestellt. Bereits im Jahr 2017 hat die Emittentin mit der Bank Leumi (UK) plc als Kreditgeber einen revolvierenden Kreditvertrag in Höhe von EUR 30.000.000 abgeschlossen. In Bezug auf diese Vereinbarung verpflichtete sich Voltaire in einem Vertrag vom 14. Juli 2018, alle bis zum 19. Juli 2019 ausstehenden Forderungen in Höhe des ausstehenden Betrags der Bank Leumi (UK) plc gegen Barzahlung am 19. Juli 2019 zu erwerben, die nicht bis zu diesem Tag zurückgezahlt wurden. Wenn Voltaire und/oder ihre jeweilige Tochtergesellschafte nicht in der Lage oder Willens sind, ihren jeweiligen Verpflichtungen gegenüber der Emittentin nachzukommen, hätte dies gravierende nachteilige Auswirkungen auf die Finanzlage der Emittentin und könnte in der Insolvenz der Emittentin münden. - **Die Emittentin ist auf Fremdmittel angewiesen.** Der Gewinn der Emittentin für den Zeitraum 2017 und 2018 sank aufgrund eines Umsatzrückgangs, der auf eine geringere Produktions- und Akquisitionsaktivität von Kinofilmen aufgrund unzureichender Finanzierungsmittel zurückzuführen war. Obwohl die Emittentin eine finanzielle Restrukturierung vorgenommen hat, die zum Datum dieses Prospekts in wesentlichen Teilen abgeschlossen ist, benötigt die Emittentin möglicherweise zusätzliches Kapital, um zukünftiges Wachstum zu finanzieren, insbesondere für die Investition in neue Filmrechte. Wenn die Emittentin das erforderliche Kapital nicht zu wirtschaftlich akzeptablen Bedingungen beschaffen kann, kann sie gezwungen sein, ihre Geschäftstätigkeit zu beschränken oder zu reduzieren, was sich nachteilig auf Wachstum, Geschäft und Marktanteil der Emittentin auswirken oder sogar deren Insolvenz verursachen kann. - **Die Emittentin ist von ihren Vorstandsmitgliedern abhängig**. Die zukünftige Entwicklung der Wild Bunch Gruppe hängt in wesentlichen Teilen vom Dienst und den Handlungen des Vorstands ab. Es wird erwartet, dass die Vorstandsmitglieder der Emittentin innerhalb der nächsten zwei Jahre aus dem Dienst ausscheiden. Es kann nicht ausgeschlossen werden, dass dieses Ausscheiden erhebliche nachteilige Auswirkungen auf das Geschäft und die Ertragslage der Wild Bunch Gruppe hat.

		- **Die Umsetzung des operativen Restrukturierungskonzepts der Wild Bunch Gruppe könnte fehlschlagen**. Der Gewinn der Emittentin für den Zeitraum 2017 und 2018 sank aufgrund eines Umsatzrückgangs, der auf eine geringere Produktions- und Akquisitionsaktivität von Kinofilmen aufgrund unzureichender Finanzierungsmittel zurückzuführen war. Daher hat die Wild Bunch Gruppe verschiedene Maßnahmen zur operativen Restrukturierung geplant und eingeleitet. Es besteht die Möglichkeit, dass wesentliche Annahmen, die dem Konzept der operativen Restrukturierung zugrunde liegen, sich als unrichtig erweisen oder die geplanten Maßnahmen unzureichend sind. Ein Ausfall wesentlicher Teile des betrieblichen Restrukturierungskonzepts aus den vorgenannten Gründen könnte die Geschäftstätigkeit, die Finanzlage, die Kapitalflüsse, die Ertragslage und die Aussichten erheblich beeinträchtigen. - **Die komplexe Organisationsstruktur der Wild Bunch Gruppe**, die in verschiedenen Ländern tätig ist, kann die Fähigkeit des Emittenten beeinträchtigen, Finanzberichte effizient einzureichen. Die Emittentin ist möglicherweise nicht in der Lage, akkurate Finanzberichte einzureichen oder Finanzberichte oder andere erforderliche Benachrichtigungen rechtzeitig einzureichen. Dies könnte offizielle Verfahren oder andere aufsichtsrechtliche Konsequenzen nach sich ziehen, die wiederum die Vermögens-, Finanz- und Ertragslage der Wild Bunch Gruppe erheblich beeinträchtigen könnten.
D.3	**Schlüsselrisiken, die den Wertpapieren eigen sind**	Folgende Schlüsselrisiken sind den Neuen Aktien eigen: - **Es besteht die Gefahr eines Interessenkonflikts des Hauptaktionärs der Emittentin gegenüber anderen Aktionären oder der Emittentin**. Der Hauptaktionär der Emittentin, die Voltaire Finance B.V., hält rund 96,20% der Stimmrechte an der Emittentin und damit eine Mehrheitsbeteiligung an der Wild Bunch AG. Es kann nicht ausgeschlossen werden, dass die Interessen dieses Hauptaktionärs den Interessen der anderen Aktionäre oder der Emittentin widersprechen. Abhängig von der Präsenz auf der Hauptversammlung der Emittentin ("**Hauptversammlung**") könnte der Hauptaktionär alle Abstimmungen ohne Zustimmung anderer Aktionäre annehmen, einschließlich Änderungen der Satzung der Emittentin, Kapitalmaßnahmen, Fusionen, die Liquidation oder den Squeeze-out anderer Aktionäre. Interessenkonflikte zwischen dem Hauptaktionär und der Wild Bunch AG oder ihrer anderen Aktionäre können die Geschäftstätigkeit, Finanzlage und unser Ergebnis erheblich beeinträchtigen. - **Es besteht das Risiko der Kündigung wichtiger Verträge aufgrund eines Kontrollwechsels**. Der Hauptaktionär der Emittentin hält nach Durchführung des Übernahmeangebots und der Kapitalerhöhungen durch Sacheinlagen nun rund 96,20% der Stimmrechte, was zu einem Kontrollwechsel bei der Emittentin führt. Ein solcher Kontrollwechsel kann Kündigungsrechte in wichtigen Verträgen auslösen. Dies könnte die Emittentin dazu zwingen, ausstehende Verbindlichkeiten vorzeitig zurückzuzahlen, was sich nachteilig auf das Geschäft, die Finanzlage, die Kapitalflüsse, das Betriebsergebnis und die Aussichten auswirken könnte. - **Die Emittentin erwartet in absehbarer Zeit keine Dividendenausschüttung**, was sich nachteilig auf die erwarteten Zahlungsströme der Aktien und damit für potenzielle Anleger auswirkt. - **Illiquide Sekundärmärkte für die Aktien der Emittentin**. Es gibt keine Garantie dafür, dass sich aktive Handelsaktivitäten in den Aktien der Emittentin entwickeln oder aufrechterhalten werden. Da der Hauptaktionär der Emittentin rund 96,20% des Grundkapitals der

		Emittentin hält und (neben anderen Aktionären) nur ein Streubesitz von rund 1,19% verbleibt, kann nicht ausgeschlossen werden, dass nur eine geringe oder keine Handelstätigkeit stattfindet. Die Nichtentwicklung oder Verebbung eines aktiven Handels kann die Liquidität der Aktien der Emittentin beeinträchtigen, und die Emittentin kann nicht garantieren, dass der Marktpreis ihrer Aktien dadurch nicht sinkt. Die Anleger sind dann möglicherweise nicht in der Lage, ihre Anteile an der Emittentin schnell oder zu oder über dem Preis zu verkaufen, zu dem sie die Anteile der Emittentin erworben haben. - **Die Emittentin ist eine Holdinggesellschaft, die keine direkten Zahlungsmittel generierenden Geschäfte tätigt**, und ist von operativen Tochtergesellschaften abhängig, die ihr die zur Erfüllung ihrer finanziellen Verpflichtungen erforderlichen Mittel zur Verfügung zu stellen. Die Emittentin ist daher auf Kredite, Dividenden und andere Zahlungen von Tochtergesellschaften angewiesen, um die zur Erfüllung ihrer finanziellen Verpflichtungen erforderlichen Mittel zu beschaffen. - **Es bestehen Risiken aufgrund der Volatilität der Wild Bunch-Aktie**. Der Marktpreis der Aktien der Emittentin war in der Vergangenheit sehr volatil. Es kann daher nicht ausgeschlossen werden, dass der Marktpreis der Aktien auch in der Zukunft erheblichen Schwankungen unterliegen wird. Darüber hinaus können periodische Ergebnisschwankungen der Wild Bunch Gruppe zu Kursschwankungen führen. Erhebliche Schwankungen können bewirken, dass Anleger ihre Investition ganz oder teilweise verlieren. - **Die Wild Bunch Gruppe ist Risiken durch Verstöße gegen Kapitalmarktgesetze und -bestimmungen ausgesetzt**. Die Emittentin ist eine im regulierten Markt der Frankfurter Wertpapierbörse notierte Gesellschaft. Die Emittentin kann nicht ausschließen, dass Verstöße gegen Kapitalmarktgesetze und -bestimmungen eintreten und die internen Kontrollsysteme der Emittentin versagen. Dies kann zu erheblichen Bußgeldern, Schadensersatzansprüchen Dritter und Reputationsschäden der Wild Bunch Gruppe führen. - **Zukünftige Angebote von Schuldtiteln oder Beteiligungen durch die Emittentin** könnten den Marktpreis der Aktien der Emittentin beeinträchtigen, und künftige Kapitalmaßnahmen könnten den Einfluss der bestehenden Aktionäre der Emittentin erheblich schwächen.

Abschnitt E – Angebot

Punkt		
E.1	**Gesamtnettoerlös, Geschätzte Gesamtkosten des Angebots und der Börsennotierung, einschließlich der geschätzten Kosten, die dem Anleger von der Emittentin in Rechnung gestellt werden**	Der Prospekt steht nicht im Zusammenhang mit einem Angebot der Neuen Aktien. Die Gesamtkosten der Zulassung zum Handel der Neuen Aktien ("**Börsennotierung**") belaufen sich erwartungsgemäß auf insgesamt ca. EUR 602.527, bestehend aus EUR 8.540 Zulassungsgebühren für die Frankfurter Wertpapierbörse, EUR 218.987 für Zulassungsdienstleistungen der Quirin Bank, ca. EUR 280.000 für Rechtsberatung and EUR 95.000 für Prüfungshandlungen. Anlegern werden von der Emittentin keine Kosten in Rechnung gesetllt.
E.2a	**Gründe für das Angebot, Zweckbestimmung der Erlöse, geschätzte Nettoerlöse**	Entfällt. Der Prospekt steht nicht im Zusammenhang mit einem Angebot der Neuen Aktien.
E.3	**Beschreibung der Angebots-konditionen**	Entfällt. Der Prospekt steht nicht im Zusammenhang mit einem Angebot der Neuen Aktien.
E.4	**Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen**	Entfällt. Der Prospekt steht nicht im Zusammenhang mit einem Angebot der Neuen Aktien. Quirin Bank ist für die Emittentin im Zusammenhang mit der Börsennotierung der Neuen Aktien tätig. Da Quirin Bank eine Gebühr für die Dienstleistungen im Zusammenhang mit der Börsennotierung erhält, hat Quirin Bank ein finanzielles Interesse an der Börsennotierung. Quirin Bank ist Universalbank, die verschiedene Tätigkeiten ausüben kann, darunter Wertpapierhandel, kommerzielles Investmentbanking, Finanzberatung, Investmentmanagement, Kapitalanlage, Absicherung, Finanzierung und Maklertätigkeit. Daher hat und wird Quirin Bank in Zukunft Geschäftsbeziehungen mit der Emittentin oder mit verbundenen Unternehmen oder dem Mehrheitsaktionär der Emittentin unterhalten. Zudem können im Rahmen der normalen Geschäftstätigkeit, für die Quirin Bank übliche Gebühren und Provisionen erhält, Dienstleistungen für die Emittentin oder verbundenen Unternehmen erbracht werden. Mit Ausnahme der vorgenannten Interessen bestehen keine Interessen, Interessenkonflikte oder potenzielle Interessenkonflikte, die für die Börsennotierung der Neuen Aktien wesentlich wären.
E.5	**Name der Person/des Unternehmens, die/das das Wertpapier zum Verkauf anbietet.** **Bei Lock-up Vereinbarungen die beteiligten Parteien**	Entfällt. Der Prospekt steht nicht im Zusammenhang mit einem Angebot der Neuen Aktien. Vom 16. April 2019 bis zum Tag sechs Monate nach Börsenzulassung (der "**Beschränkter Zeitraum**") wird Voltaire als Mehrheitsaktionär der Emittentin weder direkt noch indirekt ohne die vorherige schriftliche Zustimmung der Quirin Bank: - die von Voltaire gehaltenen Aktien der Emittentin ("**Beschränkte Aktien**") anbieten, verpfänden, verteilen, verkaufen, vermarkten, übertragen oder anderweitig veräußern;

	und die Lock-up-Frist	- Options- oder Wandlungsrechte auf Beschränkte Aktien gewähren, ausgeben oder verkaufen; - Put-Optionen kaufen oder Optionen, Rechte oder Optionsscheine zum Kauf, der Übertragung an eine andere Person oder der anderweitigen Veräußerung gewähren, jeweils direkt oder indirekt bezüglich der Beschränkten Aktien; - für eine geplante Erhöhung des Stammkapitals der Emittentin stimmen (einschließlich des genehmigten Kapitals); - für eine geplante Ausgabe (oder Ermächtigung des Vorstands zur Durchführung einer solchen Ausgabe) von Finanzinstrumenten stimmen, die Optionen oder Optionsscheine bilden oder enthalten, die in Aktien der Emittentin umgewandelt werden können oder berechtigen, Aktien der Emittentin zu erhalten; - eine Transaktion eingehen oder eine Handlung durchführen, die den oben beschriebenen wirtschaftlich ähnlich ist, insbesondere einen Swap oder eine sonstige Vereinbarung abschließen, durch den/die das wirtschaftliche Risiko des Eigentums an Beschränkten Aktien ganz oder teilweise auf eine andere Person übertragen wird, unabhängig davon, ob eine solche Transaktion einen Barausgleich oder die Lieferung von Beschränkten Aktien vorsieht in jedem Fall vorbehaltlich der Börsennotierung und der Verpfändung der Beschränkten Aktien gemäß einem Verpfändungsvertrag vom 29. März 2019 zwischen Voltaire als Verpfänder und der TMF Trustee Services GmbH als Sicherheitentreuhänder für die Anleihegläubiger einer EUR 200.000.000 7,00 % vorrangig besicherten Anleihe fällig am 26. Juli 2023, welche von Voltaire ausgegeben wurde. Die Beschränkungen erlöschen automatisch, wenn die Börsennotierung nicht vor dem 31. Dezember 2019 erfolgt oder zu einem früheren Zeitpunkt, an dem der Vorstand und/oder der Aufsichtsrat der Emittentin beschließt oder beschließen, die Börsennotierung zu widerrufen. Durch einen Anpassungsvertrag vom 28. Mai 2019 wurden 4.379.736 der Beschränkten Aktien von den Beschränkungen dieser Lock-up Vereinbarung befreit.
E.6	**Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung**	Entfällt. Der Prospekt steht nicht im Zusammenhang mit einem Angebot der Neuen Aktien.
E.7	**Schätzung der Ausgaben, die dem Anleger von der Emittentin oder Anbieter in Rechnung gestellt werden**	Entfällt. Der Prospekt steht nicht im Zusammenhang mit einem Angebot der Neuen Aktien. Mit Ausnahme der üblichen Bankgebühren werden den Anlegern keine weiteren Kosten der Emittentin oder der Quirin Bank berechnet.

3. RISK FACTORS

An investment in the shares of Wild Bunch AG (the ***"Issuer"****,* ***"WBAG"*** *and, together with its fully consolidated subsidiaries, the* ***"Wild Bunch Group"****) is subject to risks. In addition to the other information contained in this Prospectus, investors should carefully consider the following risks when deciding whether to invest in the Issuer's shares. The market price of the Issuer's shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to the Issuer, or that the Issuer might currently deem immaterial, could have a material adverse effect on the business, financial condition, cash flows and results of operations of the Issuer and its subsidiaries.*

The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing, or the significance or degree of the risks or the scope of any potential harm to the Issuer's or its subsidiaries' business, net assets, financial condition, cash flows or results of operations. The risks mentioned herein may materialize individually or cumulatively.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although the Issuer believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Issuer's or its subsidiaries' business, they are not the only risks and uncertainties relating to the Issuer. Other risks, facts or circumstances not presently known to the Issuer, or that the Issuer currently deems to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on the Issuer's or its subsidiaries' business, results of operations, financial condition and prospects. The value of the Issuer's Shares could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose part or all of their investment.

I. Risk factors relating to the business, operations and financial position of the Issuer

1. The Wild Bunch Group faces strong competition

The Wild Bunch Group's planning assumes a certain market share, as well as box office figures and proceeds from the various distribution levels. If these assumptions are not realised, the projected revenue will not be realised. The inability to adapt cost structures in a timely manner also poses substantial risk. For instance, market changes in the field of cinema and home entertainment, such as decreasing viewer figures or increasing competition, could result in a decline in prices for productions or licensed products. The expiry of framework agreements or a deterioration of license holders' financial situations can lead to a decrease in the purchase prices of licenses, threatening the value of existing film rights. A strong competitive environment could lead to decreasing margins, in particular in cinema distribution.

The Wild Bunch Group's diversification to include various products and markets reduces the risk of competition in individual segments. Since market share and viewer figures are key factors for potential revenue, the Wild Bunch Group seeks to find appealing programme content for TV broadcasters and other platforms as well as for its films and TV series, in order to increase its competitiveness, refine its profile and improve the attractiveness of its products through higher spending on marketing.

If, however, these risks associated with the competitive environment should realise on whole or in part, the Issuer may experience a material adverse effect on its assets, financial condition, cash flows and results of operations.

2. Any deterioration of economic conditions in the markets in which the Wild Bunch Group operates may adversely affect the business and results of operations

The revenue growth and profit margins the Issuer can achieve depend in part on global and regional economic conditions in the markets in which the Wild Bunch Group operates and their impact on consumer spending. Consumer spending is likely to decline during periods of economic uncertainty and recession. As a result, the Entertainment & Media industry may be more adversely affected by such developments than other industries.

Adverse economic developments and economic uncertainty may stem from different factors especially related to the Issuer's industry such as terrorist acts in Europe as well as around the globe and other political tensions.

Furthermore, revenues can also be impacted by other factors that have an impact on consumer spending, such as weather conditions or sporting highlights. Sunny and warm weather typically leads to lower cinema visits, as consumers spend their time outside. A sporting highlight like the Football World Cup in 2018 led to approximately one month in lower cinema visits. Seasonality also makes it difficult for us to accurately forecast demand for our film rights. If the Issuer fails to anticipate the demand in the purchasing process of film rights ("**greenlighting**"), it may lose out on revenue and profit margin in this individual project.

A decline in consumer spending and purchasing power could lead to fewer cinema visits.

Any deterioration of economic conditions could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

3. The implementation of the operational restructuring concept could fail

The Issuer's profits for the period 2017 and 2018 declined significantly due to a decline in sales caused by less production and acquisition activity of cinematic content due to insufficient availability of funds. Therefore, the Wild Bunch Group has planed and initiated various operational measures to restructure the Wild Bunch Group. In particular, the purchasing process of film rights (greenlighting) is to be optimized in the future in order to minimize the risk of procure unprofitable film contents/projects. Furthermore, corporate structures are to be optimized and staff training provided to promote employee competence. The reduction of planned personnel cost increases is also contemplated. Finally, a fiscal unity between Wild Bunch AG and Wild Bunch Germany GmbH will be examined in order to enable a reduction of tax payments in the Wild Bunch Group.

However, there is a possibility that key assumptions underlying the operational restructuring concept may prove to be incorrect or that the planned measures may prove to be inadequate. In addition, there is the risk that significant measures of the operational restructuring concept will not be sufficiently implemented and cannot be replaced by measures having a similar effect. A failure of essential parts of the operational restructuring concept for the aforementioned reasons could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

4. The Wild Bunch Group's business model depends on the ability to suit customer's tastes, to understand user behaviour and to react on changes

The technical possibility of creating illegal copies of films and the lack of sufficient legal protection against copyright infringement, there is a risk of revenue loss. In addition, market changes in the field of home entertainment are particularly shaped by digitisation, with an increase in additional offers and distribution formats that could lead to ongoing change in media use. The Issuer and Wild Bunch Group companies attempts to anticipate future trends through targeted market research and user analyses. While the Issuer beliefs that the attractiveness of its products is increased through the creation of user-friendly programmes and materials, it is reducing the effects of piracy through lobbying, campaigns to raise awareness and consistently pursuing legal action against infringements in order to mitigate revenue losses. Should any of the Issuer's assessments turn out to be incomplete or wrong, this could result in a material adverse effect on the Issuer's assets, financial condition, cash flows and results of operations.

5. The Wild Bunch Group depends on customers and business partners

In its direct sales, the Wild Bunch Group depends on the large German, French, Italian and Spanish TV broadcasters, IPTV providers, VOD (Video-on-Demand) / SVOD (Subscription Video-on-Demand) platforms and DVD retailers. A considerable proportion of the guaranteed minimum investment amount is covered by sublicense distribution rights for films and TV series. Attainable margins may be lower than planned due to the strong position or decrease of demand of these broadcasters or platforms. In such case, the Issuer may experience adverse effects on its assets, financial condition, cash flows and results of operations.

The global economic situation of a country or region can have a short-term negative impact on the financial status of film distributors who acquire films (depreciation of local currency, insolvency risks, etc.). Further, the Wild Bunch Group relies on good business relationships with internationally active film distributors. This particularly applies to the unrestricted adherence to and implementation of the contracts signed, i.e. accepting the materials provided on delivery, paying the rates as agreed, and appropriate marketing spending and activities to accompany the release of a film.

Early termination of individual agreements can result in higher costs due to searching for new partners and establishing new structures. Maintaining relationships with customers and business partners is therefore one of management's key tasks. Adherence to contractual provisions and the quality of the goods delivered/services provided is checked at regular intervals.

However, it cannot be excluded that actions of customers, or business partners result in increased cost for the Issuer, which in turn has a material adverse effect on its assets, financial condition, cash flows and results of operations.

6. The Issuer or Wild Bunch Group companies may cease to have access to licenses and material

The Issuer's and Wild Bunch Group companies' access to and acquisition of rights to literary source material, distribution rights and screenplays, along with concluding contracts with successful directors, actors and licensors, are crucial factors in the co-production and acquisition of films and TV series and for the commercial success of the Wild Bunch Group. The Wild Bunch Group's production units work closely with renowned, experienced screenplay writers, directors and producers at home and abroad, who are experts in producing films for the big screen and have an excellent reputation with public film funding institutions. However, it can not be guaranteed that access to such sources will be available in the future.

Additionally, third-party productions are generally acquired on their own film markets. The prices paid depend on the specific project and market environment. Usually, film projects have not been completed yet at the buy-in stage. Therefore, the rights are sold in advance based on the screenplay or a development outline. Up to two years can pass between the acquisition and the actual delivery of the film project. If the Issuer or any Wild Bunch Group company overpays for a film, it may have a material adverse effect on the Issuer's operating activities as well as its financial and earnings position, in particular if the purchased film project turns out to be a flop.

Although the Issuer and Wild Bunch Group companies have instituted procedures to access and monitor these risks (e.g. benchmark based purchasing approval process, monitoring by employees in the respective rights and license purchasing departments, who have years of profound experience in the field of reselling certain rights associated with a film project before the project finishes in order to manage risk), it cannot be excluded that such risk exposure will realise in whole or in part.

7. Dependence on film funding

Unfavourable changes in funding guidelines for film projects or the (partial) refusal to grant funds that had been expected could result in the Issuer facing gaps in financing for its own productions and co-productions that then have to be covered using other free funds or a change to medium-term production plans, having a negative impact on the earnings contributions made by individual films.

There is also the risk that certain payment or distribution conditions are not met. The failure to abide by these conditions can result in the Issuer being compelled to pay back the relevant funding.

8. The Wild Bunch Group’s activities expose the Wild Bunch Group to a variety of financial risks such as market risks (including currency risk and interest rate risk), credit risk and liquidity risk, which may adversely affect the Wild Bunch Group business and results of operations

The Wild Bunch Group activities expose it to a variety of financial risks such as market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Market risks arise from open positions in foreign currencies (currency risk), and interest-bearing assets and liabilities (interest rate risk), which are sensitive to general and specific market movements.

- **Exchange rate fluctuations**

  The Issuer is subject to fluctuations in foreign exchange rates between the euro, our reporting currency, and other currencies of countries in particular the U.S. dollar, as the majority of film rights acquired on the international film market are paid for in U.S. dollars. The proceeds generated from the distribution, on the other hand, are primarily in Euros. Such fluctuations in the EUR/USD exchange rate can impact the earnings position and lead to both foreign exchange gains or losses. The timing and extent of currency fluctuations may be difficult to predict. Furthermore, the Issuer may be adversely affected at a time when the same currency movements benefit some of our competitors. Exchange rate fluctuations were most recently hedged by financial instruments entered into in the financial year 2016.

- **Interest rate changes**

  The Issuer is affected by interest rate changes, primarily concerning financial liabilities. If interest rates rise, the Group would be forced to pay higher amounts of interest in some cases.

- **Credit risks**

  Furthermore, a credit risk arises when a debtor cannot settle a receivable or meet other payment obligations or cannot pay on time. This credit risk includes both the direct risk of a debtor defaulting (counterparty default risk) and the risk of a deterioration in creditworthiness (e.g. rating downgrade). The Wild Bunch Group continuously takes into account potential default risks on receivables through regular valuation and monitoring and, if necessary, through value adjustments or impairments. In addition, the Wild Bunch Group hedges the risk of default due to the insolvency of a creditor in significant cases by obtaining creditworthiness information. Nevertheless, it cannot be ruled out that receivables from customers may default, which could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

- **Liquidity risk**

  The Issuer requires cash and cash equivalents to cover its financial liabilities and current operations. These cash and cash equivalents are generated partly through ongoing business activity and partly through external bank financing and shareholder loans. The Issuer is therefore constantly in talks with financial institutions and investors in order to secure access to financial resources that are in harmony with its planned investments.

  Liquidity risks arise when the Wild Bunch Group is unable to meet its payment obligations in whole or in part, neither through available liquid funds nor using the relevant credit lines. The Wild Bunch Group's largest liquidity risk arises from lack of access to cash and cash equivalents which can occur in particular when guarantee or framework credit agreements are called off, cancelled or not extended.

  In 2017, the Issuer entered into a EUR 30,000,000 revolving credit facility agreement with Bank Leumi (UK) plc as lender. In the course of the recent restructuring of the Wild Bunch Group, the Issuer's majority shareholder, Voltaire Finance B.V., entered into a EUR 26,455,981.81 shareholder loan agreement which summarized, restructured and replaced existing French debt of certain Wild Bunch Group companies from past film projects. On 13 May 2019, Voltaire as creditor entered into a further EUR 40,000,000 working capital and acquisition credit facility agreement with the Issuer, which replaced an existing EUR 27,000,000 bridge loan and provides further capital to strengthen the working capital base and acquisition abilities of the Wild Bunch Group companies.

  Under these agreements, payments to the respective borrower can be declined or the agreement can be terminated (in which case the Wild Bunch Group could be required to repay the entire outstanding amount borrowed under the respective agreement) if certain covenants are not met or upon occurrence of certain events of default, each as defined in the respective agreement and after a grace period, if applicable.

  Although the Issuer monitors its financial condition and results of operation continuously and thereby ensuring the financial covenants are being met, it cannot be excluded that a significant deterioration of the net assets, financial position and results of operations of the Issuer discovered during the monitoring of the financial covenants can lead to a default, entitling the creditors to terminate the respective agreement. In such case, the Wild Bunch Group could be forced to take up replacement financing on the capital markets to unfavourable conditions or, as the case may be, could not find any replacement or bridge financing at all. This would have a servere adverse effect on the Issuer's financial condition and may cause insolvency.

9. The Issuer depends on external funding

The Issuer's profits for the period 2017 and 2018 declined significantly due to a decline in sales caused by less production and acquisition activity of cinematic content due to insufficient availability of funds. Although the Issuer entered into a financial restructuring which is, as of the date of this Prospectus, completed in material parts, the Issuer may require additional capital to finance future growth, especially for the investment in new film rights. If the Issuer is not able to raise the required capital on economically acceptable terms, or at all, it may be forced to limit or even scale back operations, which may adversely affect its growth, business and market share or may even cause insolvency. In addition, the Issuer may fail to accurately project and anticipate our capital needs.

If the Issuer chose to raise capital through hybrid instruments, these instruments may have to be valued at fair value, which is based on a valuation of our Issuer. Changes in the fair value may have a significant impact on our comprehensive income. If the Issuer choses to raise capital by issuing new shares, its ability to place such shares at attractive prices, or at all, depends on the condition of equity capital markets in general and the share price of the Issuer in particular, and such share price may be subject to considerable fluctuations.

If the Issuer choses to raise capital through debt financing, such financing may require to post collateral in favour of the relevant lenders or impose other restrictions on the Issuer's business and financial position (e.g., in the form of covenants). Such restrictions may adversely affect the Wild Bunch Group's operations and ability to grow its business as contemplated. A breach of the relevant covenants or other contractual obligations contained in our external financing agreements may trigger immediate prepayment obligations or may lead the relevant lenders to seize collateral posted by us, all of which may adversely affect our business. In addition, if the Issuer raises capital through debt financing on unfavourable terms, this could adversely affect our operational flexibility and profitability.

An inability to obtain capital on economically acceptable terms, or at all, could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

10. The Issuer's depends on its major creditor

Voltaire Finance B.V. ("**Voltaire**") is a major creditor of the Issuer. Therefore, the Issuer and the Wild Bunch Group is exposed to Voltaire's credit risk and its ability and willingness to fulfil its subsidiary's obligations *vis-à-vis* the Issuer. In particular, Voltaire Finance B.V. entered into a EUR 26,455,981.81 shareholder loan agreement which summarized, restructured and replaced existing French debt of certain Wild Bunch Group companies from past film projects. On 13 May 2019, Voltaire Finance B.V. as creditor entered into a EUR 40,000,000 working capital and acquisition credit facility agreement with the Issuer as borrower, which replaced an existing EUR 27,000,000 bridge loan and provides further capital to strengthen the working capital base and acquisition abilities of the Wild Bunch Group companies. Already in 2017, the Issuer entered into a EUR 30,000,000 revolving credit facility agreement with Bank Leumi (UK) plc as lender. In relation to such agreement, Voltaire committed itself in a deed of agreement dated 14 July 2018 to purchase for cash all claims outstanding for the amount outstanding from Bank Leumi (UK) plc by 19 July 2019, which are not repaid by the Issuer or Wild Bunch S.A. ("**WBSA**") by such date.

If Voltaire are not able or willing to fulfil its respective obligations vis-à-vis the Issuer, this would have a servere adverse effect on the Issuer's financial condition and may cause insolvency.

11. Existing profit and loss transfer agreements may give rise to loss compensation obligations of Wild Bunch vis-à-vis companies of the group pursuant to section 302 AktG

The Issuer is subject to risks from existing profit and loss transfer agreements with Senator Film Verleih GmbH, Senator Film Produktion GmbH, Senator Home Entertainment GmbH, Senator Film München GmbH, Senator Film Köln GmbH and Senator MovInvest GmbH, which oblige it to compensate the losses of these companies. Wild Bunch obligation to assume losses incurred may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects and may have a material adverse effect on the Issuer's ability to going concern, especially if such loss compensation obligations arise cumulatively.

The profit transfer agreements existing between the Issuer and Senator Film Verleih GmbH, Senator Film Produktion GmbH, Senator Home Entertainment GmbH, Senator Film München GmbH, Senator Film Köln GmbH and Senator MovInvest GmbH have, in the opinion of the Issuer, been validly agreed and will be implemented to date and in the future in such a way that the consequences of the corporate and trade tax unity occur. To date, the tax authorities have dealt with this matter accordingly. However, it cannot be ruled out that previous or future agreements or the implementation of these agreements may lead to a different tax treatment by the tax authorities, for instance in connection with the profit transfer agreement between Wild Bunch AG and Senator Film Verleih GmbH. A different tax treatment by the tax authorities can lead to a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

12. The large number of pledged assets by the Wild Bunch Group represents a risk for them

The Issuer has pledged its significant assets as collateral for financing and operating contracts. There is therefore a risk that the conclusion of further financing agreements or the extension of existing financing agreements will not be possible due to a lack of security. This could have a negative impact on the net assets, financial position and results of operations of the Wild Bunch Group and the Issuer.

In addition, there is the risk that the Wild Bunch Group has repeatedly used assets as collateral and thereby violates contractual clauses which grant contractual partners and in particular lenders a right of termination. Should such a right of termination be exercised, a repayment obligation triggered as a result, could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

13. Impairment of assets

As of the reporting date, the Wild Bunch Group held considerable financial and non-financial assets, such as film assets.

The Wild Bunch Group's goodwill, film assets and certain financial assets are subject to annual impairment tests, or whenever there are reasons to suspect an impairment of assets. Where no fair value is available, the measurement approach is calculated based on the Management Board's estimates and assumptions. These are based on the most current information available.

The actual development, which is often outside of the Issuer's sphere of influence, and the financing available for implementing business plans can deviate from the assumptions made, leading to a future impairment of company assets and the need to adjust the carrying amounts. This can have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

14. There is a risk that the Wild Bunch Group has formed insufficient provisions

It cannot be ruled out that in the future the provisions formed will not be sufficient, which could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

15. There is no guarantee that the Issuer and the Wild Bunch Group will be able to successfully manage current or potential future growth

Future growth will continue to pose various challenges to the Wild Bunch Group, such as finding and/or retaining suitable personnel, implementing an enhanced control framework to support operations and establishing sufficiently robust compliance procedures and recruiting appropriately skilled compliance personnel. The work force management may prove insufficient for the Issuer's existing business and growth plans and the Issuer's existing teams may not be adequately staffed to handle an increase in the workload. Continued growth requires the Issuer and each member of the Wild Bunch Group to simultaneously expand and improve operational, IT, financial, accounting, compliance and management controls, and enhance reporting systems and procedures, which may not always be possible or prove lengthy or costly, particularly in combination with external factors such as taxation considerations, local legislation, limited resources and geographic location. In addition, the Issuer may incur losses or fail to identify or enter new markets or new segments successfully which may impair the ability to reach a market leading position. Any failure to successfully expand our operations, facilities and staff may have an adverse effect on our brand, business, results of operations or growth of our key performance indicators. A decrease of profitability may lead to a loss of key accounts and significant business partners may decide to terminate their relationships with us if their expectations are not satisfied. We may not be able to find replacements in due course or at all.

The materialization of any of the risks described above could have a material adverse effect on the Issuer's assets, financial condition, cash flows and results of operations.

16. The Wild Bunch Group's compliance system could be inadequate

The Wild Bunch Group is subject to a large number of legal regulations. These include competition law regulations as well as commercial law, company law and tax law requirements. In addition, the Issuer is subject to capital market obligations under the German Securities Trading Act. These include the prohibition of insider trading and market manipulation, the immediate publication of insider information (ad hoc publicity), trading announcements by executives (directors' dealings), the maintenance of insider lists, the duties to report (during the year) on financial results, etc. The Issuer is subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*). It cannot be ruled out that employees of the Wild Bunch Group violate these and other provisions of German law despite appropriate training measures or that the risk management and monitoring systems fail. This can result in substantial fines, significant claims for damages by third parties and considerable damage to the reputation of the Wild Bunch Group. The Wild Bunch Group's compliance system and monitoring capabilities may be inadequate to prevent or detect such violations.

In addition, the Wild Bunch Group has no means of comprehensively monitoring the activities of employees, representatives and partners in initiating business with customers. If it turns out that persons whose actions are attributable to the Wild Bunch Group receive or grant unfair advantages in connection with the initiation of business or apply other unlawful business practices, this could lead to legal and other sanctions, such as substantial fines or the loss of orders. Non-compliance with applicable laws and regulations may also harm our reputation and ability to compete and may also result in damage claims by third parties or other adverse effects (e.g., class action lawsuits and enforcement actions by national and international regulators resulting in limitations to our business).

The realization of one or more of these risks could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

17. The Wild Bunch Group's risk management could be inadequate

The Wild Bunch Group is of the opinion that it has established an adequate and appropriate risk management in their companies. However, significant risks may not be identified. In addition, it cannot be ruled out that known risks may be misjudged. There is a risk that risk management may prove to be partially or completely inadequate. This could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

18. Risk threatening the going concern of the Issuer could not be identified in a timely manner

A monitoring system has been set up at the Issuer with the aim of identifying at an early stage any developments that might jeopardize the going concern of the Issuer. The management board and employees of the Wild Bunch Group are currently responsible to a large extent for monitoring business activities in order to identify risks that could jeopardize the going concern of the company at an early stage. In addition, the Issuer's holdings operate relatively independently, also due to the organizational and industry-specific conditions. Even if the Issuer attempts to identify risks that could jeopardize its going concern at an early stage using a central management information system, it cannot be ruled out that risks that could jeopardize its going concern will only be identified at a point in time when it is no longer possible to cope with them or not to the extent that would have been the case if they had been identified at an early stage. Such a development could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

19. Any disruptions of the IT systems the Issuer relies on may adversely affect its performance, operations and reputation

Wild Bunch relies on information technology systems and networks to support international sales, film production, services and business processes as well as internal and external communications. The consistent, efficient and secure operation of its IT systems, including computer hardware, software, platforms and networks, is critical to the successful performance of the Wild Bunch Group's operations and its reputation.

Despite IT maintenance and security measures, the Wild Bunch Group's internal IT systems and networks are exposed to the risk of malfunctions and interruptions from a variety of sources, including due to unauthorised access, cyberattacks, equipment damage, deficient data base design, power outages, computer viruses and a range of other hardware, software and network problems. Wild Bunch's IT personnel may not be able to resolve such issues in a timely manner or at all. Some potential causes that can lead to a malfunction or interruption of Wild Bunch's IT systems or networks are difficult to detect and may only be detected once the risk has already materialised. A significant or large-scale malfunction or interruption, whether malicious or otherwise, of one or more of the Wild Bunch Group's IT systems or networks could adversely affect the Issuer's ability to keep its operations running efficiently. Moreover, an extended outage at a telecommunications network utilised by the Wild Bunch Group's IT systems or networks or a similar event outside Wild Bunch's control could lead to an extended unanticipated interruption of Wild Bunch's IT systems or networks, which could have an adverse effect on its business. Furthermore, any data leaks resulting from information technology security breaches may result in the disclosure or misuse of proprietary or confidential information, including customer and employee data, which may subject the Wild Bunch Group to fines, claims for damages, and reputational damage.

The materialization of any of the risks described above could have a material adverse effect on the Issuer's assets, financial condition, cash flows and results of operations.

20. The Issuer depends on its members of management

The Wild Bunch Group's future performance depends in material parts on the service and actions of the Wild Bunch Group's management board. It is expected that the Issuer's management board members will cease service by end of June 2019 (in case of Max Sturm) and in December 2020 (in case of Vincent Grimond). It cannot be excluded that the loss of services of one or more members of the Wild Bunch Group's management board or other key personnel could have a material adverse effect on the Wild Bunch Group's business and results of operation.

21. The Issuer relies on retaining and recruiting qualified personnel

The Issuer's success depends to a large extent on its qualified executives and specialists, including business segment heads and employees with extensive content production knowhow or a profound network in the film and media industry. With increasing competition for executives and specialists in the media market, the risk is growing that qualified executives and specialists can no longer be employed by the Issuer or a Wild Bunch Group in sufficient numbers and within a reasonable timeframe, or – if employed – that they may be recruited for employment elsewhere. The Issuer's inability to recruit and retain a sufficient number of specialists and executives to support its business could have a material adverse effect on its business activities, net assets, financial position and results of operations.

22. The Wild Bunch Group is subject to various risks for which the Issuer may not be adequately insured

The Issuer considers its insurance coverage adequate to and customary in our industry (e.g. property and loss of earnings insurance, business liability insurance, including insurance for product liability, transport insurance and environmental liability insurance), such insurance does not cover all risks associated with our business. Furthermore, if any of our insurance providers becomes insolvent, the Issuer may not be able to successfully claim payment from such insurance provider. In the future, the Issuer may not be able to obtain coverage at current levels, or at all, and premiums for our insurance may increase significantly.

A lack of adequate insurance coverage could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

II. Regulatory, Legal and Tax Risks

1. Regulatory risks

As a pan-European company, the Issuer's business activities are subject to regulations and the legal frameworks both in the countries where the Wild Bunch Group companies are based and at a European level. Unforeseen changes in the regulatory and legal frameworks can impact Wild Bunch AG's individual business operations. Wild Bunch Group's operational business activities are particularly subject to regulatory risks in cases in which they affect the making and distribution of films and media content. The Issuer is represented in interest groups and professional associations through its managers and employees in order to ensure that its interests are represented as fully as possible.

Changes to legal framework conditions due to new laws or regulations or their amendment, or as a result of changes to their application by public authorities or legal rulings, could negatively affect the Issuer's or Wild Bunch Group's business activities. These concerns, in particular, changes to intellectual property rights and media regulations, as well as laws relating to financing conditions in such industries. Changes to legal framework conditions might result in increased expenses for the Issuer or restrict its ability to facilitate its projects.

In Germany for example, a change to copyright contract law came into effect in March 2017, which means that creators are entitled to a higher share of the commercial success of film productions, if the film performs above average. To substantiate possible claims, the creators have a right to receive information from the film distributor regarding the proceeds generated from the film, which could lead to higher administrative expenses.

This has highlighted that the protection of local cultural assets, which includes films, and local companies that are active in the entertainment industry is an important and ongoing focus for national and European regulations.

Overall, regulatory and legal risks to the Issuer are classed as low and manageable if they do indeed arise.

2. Risk from infringements of data protection regulations

Wild Bunch Group companies collect, store and use data in the ordinary course of business that is protected by data protection laws such as the German Federal Data Protection Act (*Bundesdatenschutzgesetz*) and similar regulations in other relevant EU member states. With effect as of May 2018 the Wild Bunch Group's operations and services need to comply with the new General Data Protection Regulation (EU 2016/679) ("**GDPR**"), which harmonises the data protection regulations throughout the European Union and implements a stricter data protection compliance regime and substantially increases the fines for a breach of data protection law. Data protection agencies have the right to audit the Issuer and impose orders and fines if they find that the Issuer has not complied with applicable laws and adequately protected customer data. Any limitations imposed by stricter interpretation of the existing requirements or by future modifications of the data protection laws could have a significant impact on the Issuer's business operations and the Issuer's ability to market products and services to existing or potential customers.

It may not be possible to prevent cases of data leakage or the misuse of data as a result of human error, technological failure or other factors outside of the Issuer's control. We may also be subject to consumer data leakage from cyber-attacks on our data systems or criminal activities by the Issuer's employees or service providers.

Wild Bunch Issuers' use of data, particularly data pertaining to customers, is subject to the provisions of the German Federal Data Protection Act (*Bundesdatenschutzgesetz*) and similar regulations. If third parties acquired unauthorised access to the data processed by a Wild Bunch Group company or the Issuer itself infringed data protection regulations, this might result in claims for damages and be detrimental to the Issuer's reputation, thus materially adversely affecting its business activities, net assets, financial position and results of operations.

3. Risk from infringements of intellectual property rights

The Issuer uses technologies that make use of intellectual property held by third parties. Therefore, it may be subject to alleged claims of infringing intellectual property rights of others and may be unable to adequately protect own intellectual property rights. Increasing dependence of the film production industry on technology or content protected by intellectual property rights increases the possibility that the Issuer or and Wild Bunch Group company will be exposed to litigation or other proceedings to defend against alleged infringements of, or disputes in relation to, the intellectual property rights of others. In particular, under German copyright law, film authors are entitled both to appropriate remuneration and to additional remuneration if the proceeds from the exploitation of a film are deemed extraordinarily high in relation to the original remuneration. The respective Wild Bunch Group company could be exposed to claims for additional payments by the respective film authors.

In addition, the Issuer's business activities may involve personal rights of third parties. In the event of violation of these rights, third parties may be entitled to injunctive relief and/or claims for damages. For example, in the case of the filming of actual events, the persons concerned can try to prevent the publication of the film in court with the argument of violation of personal rights. This can delay the publication of a film considerably or even prevent it completely.

Furthermore, the Issuer or and Wild Bunch Group company may be forced to acquire additional and costly licenses in the future or to pay additional royalties for technologies or content employed. The contractual obligations set up in order to protect the Wild Bunch Group include indemnification claims against sub contractors. However, these may be out of business or otherwise fail to fulfil their indemnification obligations when called. Furthermore, holders of intellectual property claiming infringement may demand significant compensation for damages and require the Issuer or any Wild Bunch Group company to cease the use of protected technology or content which in turn may cause us to shutdown film productions or postpone publications.

The Wild Bunch Group holds a set of licenses, copyrights, contractual obligations in place to protect the intellectual property and know-how which Wild Bunch Group companies use to provide its products and services. In the event that the steps taken, and the protection provided by law do not adequately safeguard intellectual property and know-how, the Issuer could suffer losses in revenues and profits due to competitive products and services unlawfully offered based on Wild Bunch Group's intellectual property or know-how. Litigation or other proceedings may be necessary for the Wild Bunch Group to enforce and protect intellectual property rights. Any such intellectual property litigation or proceeding could be costly. An unfavourable court decision in any litigation or proceeding could result in the loss of our intellectual property, which could result in significant liabilities or disrupt the Wild Bunch Group's business operations.

Any of these risks could have a material adverse effect on the Issuer's business, financial condition and results of operations.

4. The complex organizational structure may affect the Issuer's ability to efficiently file financial reports. The Issuer may not be able to file accurate financial reports or file financial reports or other required notifications on time.

The Issuer's management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as adopted by the European Union. The consolidated financial statements consist of the consolidated balance sheet, the consolidated statements of comprehensive income, changes in equity and cash flows for the relevant year, a summary of the significant accounting policies and other explanatory information. The Issuer has to collect and consolidate the relevant operating and financial information from relevant Wild Bunch Group companies and local brands in order to be able to provide the consolidated information, which may be a time-consuming and complicated process due to the Wild Bunch Group's organizational structure and limitations on available personnel. The Wild Bunch Group members operate in different jurisdictions and are, if at all, subject to different financial reporting regimes, which may significantly deviate from IFRS. In addition, varying business models in the Wild Bunch Group require different financial reporting templates. Furthermore, the Wild Bunch Group's complex structure may make it difficult to prepare the required data on a group wide basis in a timely manner. As the Wild Bunch Group plans to expand further, these complications may worsen. If the Issuer fails to collect and consolidate the relevant financial information efficiently and has the adequate controls in place, it may not able to file financial reports in an accurate manner or on time.

The materialization of any of the risks described above could have a material adverse effect on the Wild Bunch Group's assets, financial condition, cash flows and results of operations.

5. The Issuer may be unable to acquire, use or maintain the domain names for Wild Bunch websites in targeted markets, which could force the Wild Bunch Group to incur significant additional marketing spend

The Issuer or Wild Bunch Group companies are the registrants of various word and figurative trademarks as well as internet domains for Wild Bunch Group companies in many of the jurisdictions the Issuer or any Wild Bunch Group company operates in. Domain names are generally regulated by internet regulatory bodies and are also subject to trademark laws and other related laws of each country. If the Issuer does not have or cannot obtain or maintain on reasonable terms the ability to use Wild Bunch Group's registered trademarks or other trademarks that it or a Wild Bunch Group company may need in the future in a particular country, or to use or register a domain name or new domain names that the Issuer or a member of the Wild Bunch Group may require, the Wild Bunch Group could be forced either to incur significant additional expenses to market platforms within that country, including potentially having to develop a new brand and the creation of new promotional materials and packaging, or to choose not to operate in that country.

Furthermore, the regulations governing domain names and laws protecting trademarks and similar proprietary rights could change in ways that block or interfere with the Wild Bunch Group's ability to use relevant domains or current brands. In addition, the Issuer might not be able to prevent third parties from registering, using or retaining domain names that interfere with Wild Bunch Group's customer communications or infringe or otherwise decrease the value of Wild Bunch Group's trademarks, domain names and other proprietary rights. Regulatory bodies may establish additional generic or country-code top-level domains or may allow modifications of the requirements for registering, holding or using domain names. As a result, the Issuer might not be able to register, use or maintain the Wild Bunch Group's domain names in all of the countries in which members of the Wild Bunch Group currently conduct business or intend to conduct business in the future.

The materialization of any of the risks described above could have a material adverse effect on assets, financial condition, cash flows and results of operations of the Issuer.

6. Risks from legal disputes

As a company acting cross-border, the Issuer is exposed to a number of legal risks. These risks particularly pertain to copyright law, corporate law, securities trading law and labour law. The results of ongoing, pending or future proceedings often cannot be determined with certainty, which may result in expenses from court or authority decisions or settlement agreements that are not (fully) covered by insurance policies and may have a significantly negative impact.

7. Risks from official proceedings

Management cannot currently rule out that the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") as the competent regulatory authority could theoretically open official proceedings against Wild Bunch AG to fine it in connection with the publication of the 2016 half-year report published on 21 March 2017.

8. Risks of changes in general legal conditions and changes in tax law

Wild Bunch AG believes that all tax returns filed by the Group and individual Group companies were accurate and complete. In Germany, a tax audit of the Issuer was implemented with respect to all periods up to and including the year ended December 31, 2008.

Taxes actually assessed in future tax audits for periods not yet covered by the last tax audit may exceed the taxes already paid by us. As a result, the Issuer may be required to make significant additional tax payments with respect to previous periods. Furthermore, the competent tax authorities could revise their original tax. Any tax assessments that deviate from our expectations could lead to an increase in our tax burden. In addition, the Issuer may be required to pay interest on these additional taxes as well as late filing penalties. The earnings position may be negatively affected if tax assessments differ.

Changes in the tax environment and future tax audits could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

9. Wild Bunch could lose tax loss carry-forwards

As the controlling company, the Issuer has extensive corporate income tax and trade tax loss carry-forwards at its disposal. There is a risk that the loss carry-forwards can only be used to a limited extent or not at all in the future. If within five years more than 50% of the subscribed capital, membership rights, participation rights or voting rights in the company are transferred to an acquirer (including related parties), all unused loss carry-forwards of the company expire in full. If more than 25% to 50% of the subscribed capital, membership rights, participation rights or voting rights are transferred, the losses carried forward in accordance with the transferred quota can no longer be offset. A transfer of the subscribed capital, membership rights, participation rights or voting rights may also be affected through capital increases and similar measures. Such an elimination of the ability to offset losses carried forward could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

With the implementation of the restructuring capital measures, Voltaire Finance B.V.'s stake in Wild Bunch AG increases to 96.20%. This would result in the complete loss of all unused tax loss carry-forwards at WBAG level. This could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

III. Risk factors in respect of the Shares, the Issuer's Shareholder Structure and the Admission

1. There is risk of conflicting of interests between the Issuer's major shareholder and other shareholders or the Issuer

The major shareholder of the Issuer, Voltaire Finance B.V., holds approximately 96.20% of the voting rights and thus a qualified majority stake in Wild Bunch AG, which allows to exercise a controlling influence over the Issuer. The Issuer is thus a dependent company within the meaning of Section 17 para. 1 AktG. In addition, the majority shareholder is also a major creditor of the Issuer and the Wild Bunch Group.

It cannot be ruled out that the interests of the majority shareholder may conflict with the interests of the other shareholders of the Issuer or the Issuer itself. Depending on the presence at the Issuer's general shareholders' meeting ("**General Shareholders' Meeting**"), the major shareholder will have a significant influence on the resolutions passed at the Issuer's General Shareholders' Meeting.

Every shareholder who controls more than 75% of the voting share capital represented at a shareholders' meeting is in a position to exert a significant influence on the resolutions of the shareholders' meeting. It may adopt all resolutions of fundamental importance, such as amendments of the articles of association or capital measures. Certain measures and transactions as well as potential dividend payments are for the time being impossible to implement without the support of the majority shareholder. It may further block any resolution of the General Shareholders' Meeting and its may, without support of other shareholders, resolve on capital increases excluding the subscription rights of existing shareholders, capital reductions, the creation of authorised or conditional capital, certain conversion measures such as mergers and divisions, a squeeze-out to discontinue the listing on the stock exchange, the liquidation of the Issuer or a change in the legal form of the Issuer. The aforementioned concentration of shareholdings could result in a change of control at the Issuer, which could have a negative effect on the stock exchange price of the Wild Bunch shares. There is no assurance that the major shareholder will exercise its influence over Wild Bunch AG in a way that serves the interests of the Issuer and the Issuer's other shareholders. Conflicts between the interests of the major shareholder and those of the Wild Bunch AG or its other shareholders may have a material adverse effect on our business, financial condition and results of operations.

2. There is risk of termination of important contracts due to change of control

The Issuer’s major shareholder has a stake of approximately 96.20% of the voting rights after the implementation of the takeover offer and the capital increases by way of contribution in kind, which result in a change of control at the Issuer, i.e. a change in the scope of influence, in particular on the adoption of resolutions at the Issuer's General Shareholders' Meeting, through changes in the voting rights of individual shareholders. Such a change of control can trigger termination rights in important contracts. The exercise of such a right of termination would oblige the Issuer to prematurely repay outstanding debt under such agreements, which could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

3. The Issuer does not expect to pay any dividends in the foreseeable future

Since its incorporation, the Issuer has not paid any dividends to its shareholders so far and currently does not expect to be in a position to, nor does it intend to, pay dividends in the foreseeable future. The Issuer's ability to pay dividends depends upon, among other things, the Issuer's results of operations, financing and investment requirements, as well as the availability of distributable profit. Certain reserves must be established by law and have to be deducted when calculating the distributable profit. In addition, debt financing arrangements, which may be entered into in the future may contain covenants that impose restrictions on the Issuer's business and on the Issuer's ability to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict the Issuer's ability to pay dividends.

4. The Issuer is a holding company with no direct cash generating operations and relies on operating subsidiaries to provide it with funds necessary to meet its financial obligations

The Issuer is a holding company with no material, direct business operations. The principal assets of the Issuer are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Issuer is dependent on loans, dividends and other payments from these subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of the Issuer's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations or the legal requirement of having distributable profit or distributable reserves. As an equity investor in its subsidiaries, the Issuer's right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of their creditors. To the extent that the Issuer is recognized as a creditor of subsidiaries, the Issuer's claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other (lease) obligations that are senior to the Issuer's claims.

5. Although the shares in the Issuer were previously publicly traded, there is no guarantee that an active and liquid market for the shares will develop and remain in the future

There is no guarantee that active trading activities in the Issuer's shares will develop or be maintained. In particular, since the Issuer’s major shareholder owns a stake of approximately 96.20% of the Issuer's share capital and (beside other shareholders) there remains only a free float of approximately 1.19%, it cannot be excluded that little or no trading activity occur. The failure to develop or maintain an active trading may affect the liquidity of the Issuer's shares, and the Issuer cannot assure that the market price of its shares will not decline. Consequently, investors may not be in a position to sell their shares in the Issuer quickly or at or above the price they purchased the Issuer's shares.

6. The Issuer's share price could fluctuate significantly, and investors could lose all or part of their investment

The Issuer's share price will be affected primarily by the supply and demand for the Issuer's shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Issuer's control, including, but not limited to, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on the Issuer or its subsidiaries, changes in trading volumes in the Issuer's shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception in the Issuer or the industry in which it operates, changes in the statutory framework in which the Issuer operates and other factors, and can therefore be subject to substantial fluctuations. In addition, general market conditions and fluctuations of share prices and trading volumes generally could lead to pricing pressures on the Issuer's shares, even though there may not be a reason for this based on the business performance or earnings outlook of Wild Bunch.

If the Issuer's share price or the trading volume in the Issuer's shares decline as a result of the realization of any or all of these events, investors could lose part or all of their investment in the Issuer's shares.

7. The share price of the Wild Bunch share may be influenced by external factors

The Issuer's share price can be strongly influenced by analysts' assessments, public statements in investor forums, recommendations in stock letters and opinions expressed in other media. In addition, so-called fax and email spam have risen sharply in recent years, which can also result in considerable risks for the price trend. There is, for example, the risk that the supervisory and investigative authorities may discontinue the listing of the share due to such spam activities or initiate investigations which may restrict the issuer's operational activities and even harm it.

8. There are risks due to the volatility of the Wild Bunch share

The market price of the Issuer's shares has been very volatile in the past. It cannot therefore be ruled out that the market price of the Issuer's shares will be subject to major fluctuations in the future. In addition, periodic fluctuations in the Wild Bunch Group's earnings can lead to fluctuations in the share price.

9. Risks from infringements of capital market laws and regulations

The Issuer is a company listed in the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). It is therefore subject to applicable capital markets laws and regulations, for instance pursuant to the Market Abuse Regulation (EU 596/2014), the German Securities Trading Act (*Wertpapierhandelsgesetz*) or the stock exchange regulation (*Börsenordnung*) of the Frankfurt Stock Exchange. This includes the prohibition of insider trading or market manipulation, the publication of insider information without undue delay (*ad hoc notification*), director dealing requirements and set up of insider lists. Althouth employees of Wild Bunch Group companies are educated and trained, it cannot be excluded that infringements of capital market laws and regulations occur and internal control systems of the Issuer fail. This can result in material administrative fines, damage claims of thirdparties and damages of the Wild Bunch Group's reputation. As a result, this may materially adversely affect the Issuer's business activities, net assets, financial position and results of operations.

10. The Issuer may fail to comply with additional requirements, which will be applicable following the listing of the Issuer’s share

Following the listing of the Issuer’s new shares, the Issuer is still be subject to the legal requirements of a company listed on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the sub-segment of the regulated market (*General Standard*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The Issuer needs to maintain the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards, notification requirements (e.g., with respect to the timely publication of financial results and ad-hoc notifications) and securities and investor relations issues, which will divert management attention and may prove costly. There can be no guarantee that the Issuer will be able to respond to these additional requirements without difficulties or inefficiencies and compliance violations could cause us to incur significant additional costs and expose us to regulatory or civil litigation or penalties.

Failure to efficiently comply with the additional requirements applicable to us following the listing of the Issuer’s shares could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

11. Future offerings of debt or equity securities by the Issuer could adversely affect the market price of the Issuer's shares, and future corporate actions could substantially dilute the interests of the Issuer's existing shareholders

The Issuer may require additional capital in the future to finance its business operations and growth. The Issuer may seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities. An issuance of additional equity securities or securities containing a right to convert into equity, such as convertible instruments and options, could potentially reduce the market price of the Issuer's shares and would dilute the economic and voting rights of the Issuer's existing shareholders if made without granting subscription rights to the Issuer's existing shareholders. Because the timing and nature of any future issuance would depend on market conditions at the time of such an issuance and further developments of the capital requirements of the Wild Bunch Group, the Issuer cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Issuer, as well as the exercise of stock options by the Issuer's employees in the context of the existing and possible future stock option programs or the issuance of the Issuer's shares to employees in the context of possible future employee stock participation programs, could lead to a dilution of the economic and voting rights of the Issuer's existing shareholders. Certain current shareholders of the Issuer may be protected by anti-dilution protection mechanisms, such as downround protections, entitling them subscribe a number of additional shares in the Issuer in connection with certain capital measures. The Issuer's shareholders thus bear the risk that such future offerings could reduce the market price of the Issuer's shares and/or dilute their holdings of the shares.

12. Future sales by the Issuer's existing shareholders could depress the price of the shares

Sales of a substantial number of the Issuer's shares in the public market following the successful completion of this admission, or the perception that such sales might occur, could depress the market price of the Issuer's shares and could impair the Issuer's ability to raise capital through the sale of additional equity securities. If, for example, the Issuer's existing shareholders or one or more other shareholders of the Issuer effect a sale or sales of a substantial number of the Issuer's shares in the stock market, or if the market believes that such sales might take place, the market price of the Issuer's shares could decline.

13. An investment in the Issuer's shares by an investor whose principal currency is not the euro may be affected by exchange rate fluctuations

The Issuer's shares are, and any dividends to be paid in respect of them will be, denominated in Euros. An investment in the Issuer's shares by an investor whose principal currency is not the euro exposes the investor to foreign currency exchange rate risk. Any depreciation of the euro in relation to an investor's principal currency will reduce the value of the investment in the Issuer's shares or any dividends in relation to such currency.

4. GENERAL INFORMATION

I. Responsibility Statement

Wild Bunch AG, with its registered office at Knesebeckstrasse 59-61, 10719 Berlin, Germany, a German stock corporation (*Aktiengesellschaft*) governed by the laws of the Federal Republic of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg, Germany, under the number HRB 68059, together with Quirin Privatbank AG, Kurfürstendamm 119, 10711 Berlin ("**Quirin Bank**") have assumed responsibility for the contents of this Prospectus pursuant to Section 5 para. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz,* "**WpPG**"), and declare that the information contained in this Prospectus is, to the best of their knowledge, correct and contains no material omissions.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area ("**EEA**").

The information in this Prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in this Prospectus that may affect an assessment of the securities and occurs or comes to light following the approval of this Prospectus but before the admission of the securities to trading. These updates must be disclosed in a prospectus supplement in accordance with Section 16 (1) sentence 1 WpPG.

II. Subject Matter of this Prospectus

This Prospectus relates to the admission to trading of 21,898,680 new shares ("**New Shares**") of the Issuer on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), each of such New Shares issued pursuant to two capital increases resolved by the Issuer's general shareholder meeting dated 26 September 2018, which are made against contribution in kind (the "**Capital Increases**") and each such New Shares representing a notional value of EUR 1.00 and with full dividend rights from 1 January 2019.

The New Shares are governed by German law.

III. Forward-looking Statements

This prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on the Issuer's or Wild Bunch Group's future earnings capacity, plans and expectations regarding our business growth and profitability, and the general economic conditions to which the Issuer is exposed. Statements made using the words "aims", "contemplates", "anticipates", "intends", "plans", "predicts", "projects", "forecasts", "targets", "endeavors" or "expects" may be an indication of forward-looking statements.

The forward-looking statements in this Prospectus are subject to uncertain future events and are based on estimates and assessments made to the best of the Issuer's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Issuer's actual results, including the financial condition and profitability of the Wild Bunch Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this Prospectus, particularly in the sections entitled "Risk Factors", "Business Description" and "Recent Developments and Outlook", and wherever information is contained in this Prospectus regarding the Issuer's intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which the Issuer is subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this Prospectus will not occur. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party reports could prove to be inaccurate (for more information on the third-party sources used in this Prospectus, see "Sources of Market Data"). Accordingly, neither the Issuer nor its Management Board and Quirin Bank can assume responsibility for the future accuracy of the opinions expressed in this Prospectus or as to the actual occurrence of any predicted developments. In addition, it is emphasized that neither the Issuer nor Quirin Bank assumes any obligation beyond the legal requirements to update any such forwardlooking statements or to adjust them to future events or developments.

IV. Documents Available for Inspection

For the period during which this Prospectus is valid, the following documents will be available for inspection during regular business hours at the Issuer's offices at Knesebeckstrasse 59-61, 10719 Berlin, Germany (tel. +49 30 88091 700):

- the Issuer's articles of association (the "**Articles of Association**"); and
- the Issuer's audited consolidated financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union ("**IFRS**") as of and for the years ended 31 December 2018 and 31 December 2017 (together, the "**IFRS Financial Statements**").

The above documents are also available on the Issuer's website (*www.wildbunch.eu*) under the section Investors. The IFRS Financial Statements referred to above are also published in the German Federal Gazette (*Bundesanzeiger*). The Issuer's future consolidated and unconsolidated financial statements will be available on its website. For the avoidance of doubt, none of the information contained in the documents set out above are incorporated by reference into this Prospectus. This Prospectus does not incorporate any information by reference.

V. Sources of Market Data

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which the Wild Bunch Group operates are based on the Issuer's assessments.

The following sources were used in the preparation of this Prospectus:

- European Audiovisual Observatory, "Kinobesucherzahlen in der EU 2018 rückläufig", February 2019, https://rm.coe.int/pr-berlin-de-2019-table/1680925908 ("**EAI**");
- Osborne Clarke, "The so-called "Youtube" tax is now effective in France", November 2017, https://marketinglaw.osborneclarke.com/advertising-regulation/called-youtube-tax-now-effective-france/ ("**Osborne Clarke**");
- European Parliament, „Audiovisual and media policy", October 2018, http://www.europarl.europa.eu/factsheets/en/sheet/138/audiovisual-and-media-policy ("**EU**");
- Spitzenorganisation der Filmwirtschaft e.V., „Filmproduktion 2018", February 2019, https://www.spio-fsk.de/?seitid=24&tid=3 ("**SPIO**"); and
- PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, market study, "Global Entertainment & Media Outlook 2018–2022)", 2018 ("**PwC**").

It should be noted in particular that reference has been made in this Prospectus to information concerning markets and market trends, which was obtained from the above-mentioned sources. The Issuer has accurately reproduced such information and, as far as it is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. For example, market studies are often based on information or assumptions that may be inaccurate or inappropriate, and their methodology is inherently predictive and speculative.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Issuer and Quirin Bank (see "*I. Responsibility Statement*"), neither the Issuer nor Quirin Bank have independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Issuer and Quirin Bank make no representation or warranty as to the accuracy of any such information from third-party studies included in this Prospectus. Prospective investors should note that the Issuer's own estimates and statements of opinion and belief are not always based on studies of third parties.

VI. Presentation of Currency and Financial Information

The IFRS Financial Statements were prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to section 325 para. 2a of the German Commercial Code (*Handelsgesetzbuch*, "**HGB**"). In addition, the HGB Financial Statements were prepared in accordance with the requirements set out in HGB. The financial information contained in this Prospectus for the financial year 2017 is taken or derived from the audited financial statements of the Issuer as of, and for the financial year ended, 31 December 2017 and the Issuer's management reporting and accounting records, and the financial information contained in this Prospectus for the financial year 2018 is taken from the audited financial statements of the Issuer as of and for the financial year ended 31 December 2018 and the Issuer's accounting records. Any financial data referred to as "unaudited" in this Prospectus have neither been taken from audited nor from reviewed financial statements. Any financial data referred to as "audited" in this Prospectus are taken from the IFRS Financial Statements or the HGB Financial Statements.

The amounts in this Prospectus in "**euro**", "**EUR**" or "**€**" refer to the legal currency of the Federal Republic of Germany.

VII. Information for Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares issued in the Capital Increases have been subject to a product approval process, which has determined that the New Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Shares may decline and investors could lose all or part of their investment; the New Shares to be issued in any Capital Increase offer no guaranteed income and no capital protection; and an investment in the New Shares to be issued in the Capital Increases is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Capital Increases.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to shares of the Issuer.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the New Shares and determining appropriate distribution channels.

5. GENERAL INFORMATION ABOUT THE ISSUER AND THE WILD BUNCH GROUP

I. Formation, Registration and Duration

The Issuer's legal name is "Wild Bunch AG". It was created in 2015 by the merger between the German entertainment company Senator Entertainment AG (hereinafter "**Senator**") and the European film distribution company Wild Bunch S.A.. The Issuer is incorporated as a stock corporation (*Aktiengesellschaft*) under German law for an unlimited period of time. The Issuer is registered with the German Commercial Register (*Handelsregister*) of the district court (*Amtsgericht*) of Amtsgericht Berlin-Charlottenburg under HRB 68059. The Issuer has its registered office at Knesebeckstrasse 59-61, 10719 Berlin, Germany. The Legal Entity Identifier of the Issuer is 391200011MR2KPMKTD13.

II. Financial Year

The financial year of the Issuer is the calendar year.

III. Statutory Auditor

Mazars GmbH & Co. KG, Alt-Moabit 2, 10557 Berlin, Germany has audited the Issuer's consolidated financial statements for the years ended 31 December 2017 and 31 December 2018 prepared in accordance with IFRS and with German generally accepted accounting principles and has issued an auditor's report for each year. Mazars GmbH & Co. KG is a member of the Chamber of Public Auditors (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin.

IV. Corporate Purpose of the Issuer

The Issuer is the Wild Bunch Group's holding company and operates under the brand "Wild Bunch". The Wild Bunch Group is an independent film distribution and production services conglomerate based in Berlin and Paris.

According to the Issuer's Articles of Association, the objective of the Issuer is the acquisition and the administration of companies or of equity interests in companies, especially in the field of the media industry, film production and film exploitation, as well as the takeover of the management of companies of this kind. The company is also entitled itself to acquire, to sell and to exploit commercially in other ways copyrights and other intellectual property rights of all kinds. In addition, the company is entitled to conduct all transactions and measures that serve the object of the company. It can also establish, acquire and take equity interests in other companies in Germany and abroad.

V. History and Developments of the Issuer

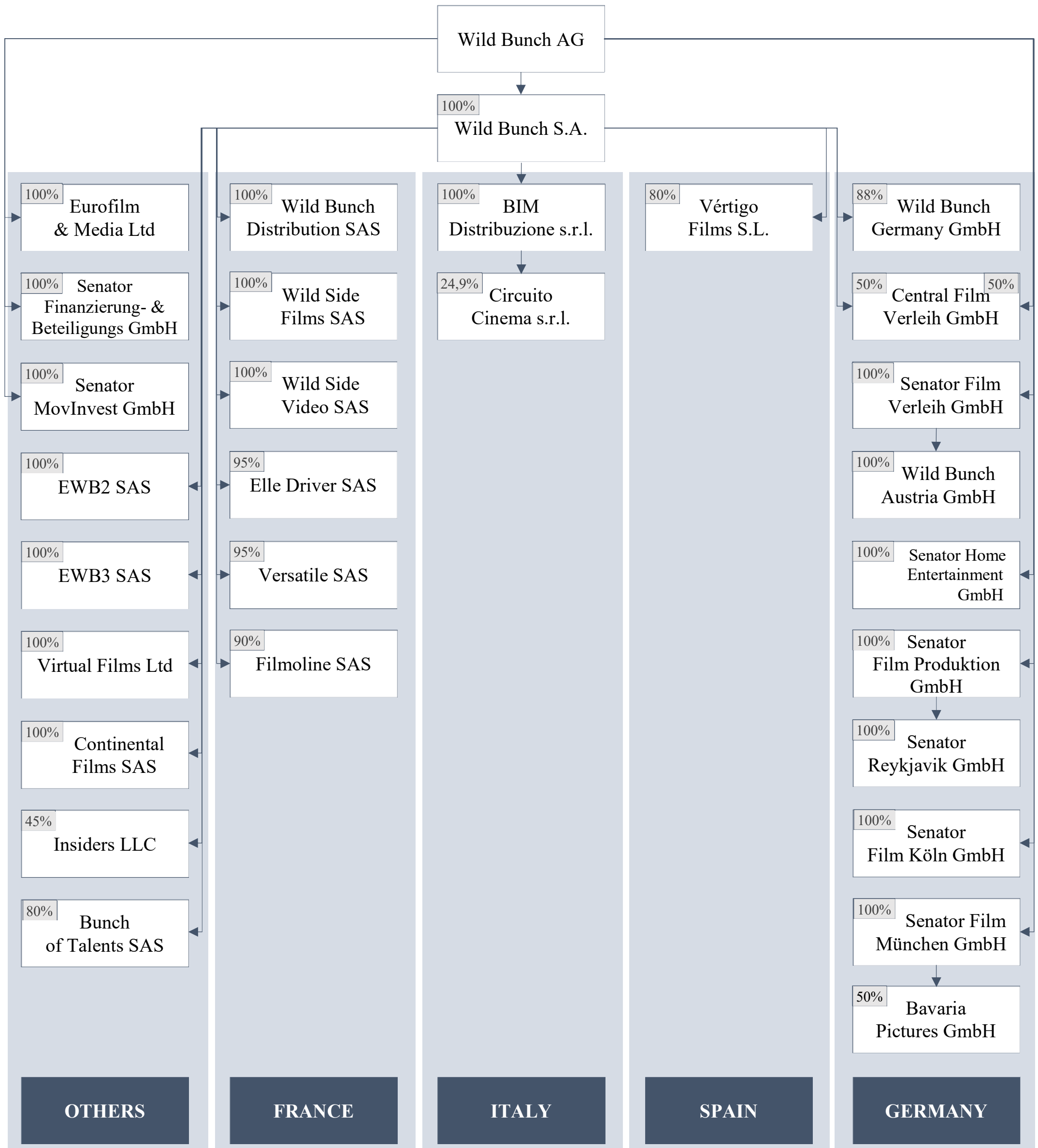
The history and development of the Issuer can be summarised by the following material steps:

Date	Wild Bunch AG
April 2019	Capital increase by way of two separate debt to equity swaps (i.e. capital increases against contribution in kind) have been completed in the aggregate amount of EUR 21,898,680. The registered share capital (*Grundkapital*) of the Issuer amounts to EUR 23,942,755 and is divided into 23,942,755 ordinary bearer shares with no-par value (*Stückaktien*). The New Shares are not yet admitted to trading.
November 2018 ..	Capital reduction by stock consolidation in the ratio 40 to 1 and thus reduction of the share capital from EUR 81,763,000 to EUR 2,044,075. In order to create a suitable share capital before the stock consolidation, a capital reduction was previously carried out by means of the simplified collection of fifteen shares. The shares "ex capital reduction" have been listed under ISIN DE000A2TSU21 since 10 December 2018.
February 2016	Completion of a capital increase in the overall amount of EUR 7,433,000 to a share capital of EUR 81,763,015. New shares admitted to trading at Frankfurt Stock Exchange as newly issued shares with effect of February 4th, 2016 under ISIN DE000A13SX71.
June 2015...........	Senator Entertainment AG renamed Wild Bunch AG.
February 2015	Completion of the merger of Senator and WBSA. Prior to such date, capital increase in the amount of EUR 55,872,788 to a share capital of EUR 74,330,015 new shares admitted to trading at Frankfurt Stock Exchange as newly issued shares under ISIN DE000A13SX71.
2014	Wild Bunch S.A. and Senator Entertainment AG announce their intention of joining forces.
2004	Submission of applications for insolvency by Senator Entertainment AG and certain subsidiaries.

2002	Wild Bunch S.A. founded by Brahim Chioua, Vincent Grimond, Vincent Maraval and Alain de la Mata.
1999	Senator Entertainment AG IPO
1986/87...............	Founding of Senator Entertainment AG
1979	Founding of Senator Film Verleih GmbH

VI. Legal Structure of the Issuer and the Wild Bunch Group

The Issuer is the Wild Bunch Group's holding company. The Wild Bunch Group comprises 30 entities and includes the Issuer and its fully owned subsidiary, the Wild Bunch S.A., each of such two entities together with its consolidated subsidiaries. The following chart provides an overview of the substantial shareholdings of the Issuer as at 31 December 2018:



The Issuer has profit transfer agreements with Senator Film Köln GmbH (Cologne, Germany), Senator Film München GmbH (Munich, Germany), Senator Film Produktion GmbH (Berlin, Germany), Senator Film Verleih GmbH (Berlin, Germany), Senator Home Entertainment GmbH (Berlin, Germany) and Senator MovInvest GmbH (Berlin, Germany).

6. MARKET OVERVIEW AND COMPETITION

I. Introduction

The regional focus of the Wild Bunch Group's operating activities is primarily on France, Germany/Austria, Italy and Spain. Wild Bunch is also active in non-European markets, such as the US, primarily through film acquisitions or its international sales activities. Accordingly, the overall economic development in these countries in particular and in addition the confidence of investors and consumers in the economy are of significant importance for the Group's success.

II. General Economic Environment in relevant regions

According to the International Monetary Fund (IMF) in its World Economic Outlook in April 2019, the IMF expects the global economy to grow by 3.6% in 2018. In the following years, the forecasts for 2019 are 3.3 % and 3.6 % for 2020. The IMF therefore expects the growth of the global economy to slow down in the coming years due to a weaker economic development in Europe and Asia. Rising trade tensions between the US, Europe and China, the rising souvereign and financial risk in Italy, a probable uncontrolled withdrawal of Great Britain from the EU and a possible stronger slowdown in economic growth in China are among the factors influencing the growth dynamics of these regions. On a global scale, the IMF is also concerned about the deterioration of the financial market sentiment, triggered by tightening global financial conditions, the further indebtedness in both the private and public sector or latent budget disputes such as in Italy and the US.

Broken down to the individual regions and countries, there are major differences in the future economic development.

After a strong development in 2018 of 2.9 %, the IMF estimates that the US economy will grow by 2.3 % in 2019. For the European Union, the IMF expects growth of 1.8 % in 2018. Growth is expected to decline to 1.3 % in 2019.

Wild Bunch's most important markets also recorded a slowdown in economic growth in 2018. According to the IMF, the French economy grew at a rate of 1.5 % in 2018. For 2019, the IMF predicts steady growth with a rate of 1.3 %. The German economy also recorded a growth rate of 1.5 % in 2018. However, the IMF expects the economy to weaken further in 2019, with a growth rate of only 0.8 %. For Italy, the IMF reports economic growth of 0.9 % in 2018. However, growth is expected to decline in 2019, at a rate of 0.1 %. According to IMF estimates, Spain's gross domestic product grew strongly by 2.5 %. However, the IMF expects the pace of growth to slow down at 2.1 % growth rate in 2019.

Wild Bunch business activities are also exposed to changes in the currencies exchange rates, in particular between the Euro and the U.S. dollar. The development of market interest rates has also a major impact on the Wild Bunch Group's business activities.

III. Industry Specific Environment and Competition

1. General

The Wild Bunch Group operates in a challenging market environment of the Entertainment & Media sector.

According to the "PwC Global Entertainment & Media Outlook 2018 - 2022" the industry is currently experiencing another multifaceted wave of convergence towards a direct-to-consumer relationship between different market participants with different origins of the respective business models. The convergence of the industry is being observed in the four areas of media/content, technological access, business models and geographical market cultivation.

Market drivers in this environment include, among others:

- the everlasting and technically improving consumer connectivity, that enables round-the-clock delivery of content and experiences, direct and digital
- that consumers' mobile end devices are/will be serving as the primary point of contact with the content provider
- the market participants’ search for sources of revenue is leading to new innovative products, services and experiences
- the technology and content driven trend towards platform offerings, which will enable a more efficient monetization of consumers in the future
- the increasing personalization of consumers' entertainment & media experiences, leading to new and innovative approaches based on data analysis and new technologies to improve decision making.

Despite, or rather because of, these convergence efforts and the associated changes in the industry, PwC expects an average annual growth rate of 4.4% for global revenues in the Entertainment & Media industry for the period 2017 to 2022 with the industry being expected to generate total sales of 2.4 trillion U.S. dollar at the end of this period.

PwC anticipates that only high-quality content enables providers to establish a direct-to-consumer relationship with consumers of all demographic groups and technological end devices with a strong, loyal relationship and a high degree of usage in terms of duration and scope, thus enabling them to monetize their business models accordingly. The content must be tailored to the personal wishes and preferences of consumers and at the same time convey an unparalleled user experience. This tailored user experience can be seen throughout the entire entertainment & media industry, for example by combining newspaper content with audio/video sequences. Further examples: Social media platforms integrate video streaming, especially from sports events, film studios produce video series, the gaming industry combines mobile gaming with live videos. Technological progress and advancing digitization enable providers to expand their services at lower cost. New financially strong market participants with different roots in their business models are courting direct customer relationships. For example, the new fifth generation of mobile communication standard (5G) is regarded as the next major growth driver in the mobile access of media content through improvements in speed, quality and reliability. Shifts in the value chain, for example in home entertainment away from DVD and Blu-ray to Video-on-Demand (VOD), have already commenced and will continue to take place. The market development and especially the geographical expansion of large market participants is globally oriented and often appears to be only a roll-out of an established business model into the next market.

Due to its renowned and high-quality film library, its extensive contacts to talents worldwide and its international distribution and sales network, Wild Bunch as an established provider of high-quality content along the entire value chain considers itself well positioned to profit from the described development.

2. Theatrical

In their study "PwC Global Entertainment & Media Outlook 2018 - 2022", the analysts at PwC assume a worldwide box office turnover of 41.4 billion U.S. dollars in 2018 and expect an increase to 49.5 billion U.S. dollars in 2022. This corresponds to an average annual growth rate of 4.6 %. The global theatrical market is increasingly driven by the huge increase in new theatre openings in the Asia-Pacific region and the competition between individual countries to attract large international productions through tax breaks and other film subsidies. PwC estimates that by 2022 there will be almost as many screens in Asia Pacific as there are in North America, Latin America, Europe, the Middle East and Africa combined. Other market drivers are the large US film production companies, which aggressively market their films internationally, a shift towards an older audience, particularly in saturated markets, and greater consolidation among cinema operators. Film piracy continues to be considered a market obstacle, especially due to the increasing digital distribution in the film business. Although rights holders and regulatory authorities were able to achieve further legal successes in the antipiracy field, the impact on sales is still significant.

a) France

According to an analysis by the European Audiovisual Observatory (EAI), approximately 200.5 million theatre tickets were sold in Europe's largest theatre market in 2018. Compared to the previous year (209.4 million cinema tickets), this represents a decline of 4.3 %. Nevertheless, due to an expected further rise in admission prices, PwC forecasts an average annual growth potential for the theatre market in the medium term of 2.2 % to around 1.68 billion U.S. dollars in 2022 from 1.54 billion U.S. dollars in 2018. The main market driver is a strong national film production with its focus on comedy. The film production has a strong market share of 39.3 % (previous year 37.4 %). Going to the cinema is an integral part of leisure activities in France. Nevertheless, market participants are facing growing competition from VOD platforms. The French Government has accordingly, following authorisation by the European Commission, imposed a 2 % tax on certain revenues by VOD operators (Source: Osborne Clarke, press release, November 2017), thus turning the French film market into one of the most protected film markets in Europe. The additional revenue from this tax will be used to promote national film production.

b) Germany

With a decrease of 13.9% from 122.3 million to 105.4 million cinema attendances in 2018, Germany recorded the strongest decline of all member states of the European Union according to EAI. This decline in audience numbers was of course also reflected in the gross income of only 899.3 million EUR (previous year 1,056.1 million EUR). Reasons for this market weakness included the World Cup 2018 and long-lasting summer weather. Ticket prices also continued to stagnate in 2018, while some blockbuster productions were lacking to move the market sustainably. Last but not least, the release of high-end originals on platforms such as Netflix from Netflix, Inc., Amazon Prime Video from Amazon.com, Inc. or Sky from Sky plc in competition with feature films also contributed to a decline in the number of cinema attendances.

In the medium term, PwC expects box office sales in Germany to grow at an average annual rate of 0.6 % from 1.22 billion U.S. dollars in 2018 to around 1.25 billion U.S. dollars in 2022.

The German cinema market in 2018 was characterized by a solid and healthy performance of national productions with a market share of 23.5 %, which, however, received less international attention.

c) Italy

In Italy, too, there was a decline in the box office in 2018. Only 92.6 million tickets sold (PY: 99.6 million) represent a minus of 7.0 % despite the expansion of the national market share from 17.6 % to 23.2 % in 2018. Revenues fell accordingly by 5.0 % to 589 million EUR (PY: 619 million EUR).

By 2022, PwC analysts expect the cinema market in Italy to grow to 774 million U.S. dollars from 692 million U.S. dollars in 2018, with an average annual growth rate of 2.8 %.

d) Spain

The Spanish cinema market continued to decline slightly in 2018, attracting 97.3 million attendances (PY: 99.8 million). This corresponds to a slight decline of 2.5 %. Sales declined by 2.2 % to 578 million EUR (PY: 591 million EUR).

With average annual growth of 3.5 %, PwC expects box office sales to rise from 696 million U.S. dollars in 2018 to 800 million U.S. dollars in 2022. Although ticket prices are falling, this development is expected to be due to the reduction in VAT on cinema tickets (from 21 % to 10 %) implemented in July 2018.

3. Electronic Distribution (Over the Top – OTT-Video)

Over-the-top video (OTT video) is considered the electronic distribution of content. In this process, consumers can receive Internet content directly either via a television connected to the Internet (smart TV), by log-in to an online platform or peripheral devices such as DVD players or game consoles. OTT-Video distinguishes between two variants: Transactional Video on Demand (TVOD) and Subscription Video on Demand (SVOD).

Transactional Video on Demand (TVOD): With TVOD, consumers purchase content on a pay per view basis. There are two sub-categories – known as Electronic Sell Through, by which consumers have permanent access to a piece of content once purchased; and download to rent where customers can access the content for a limited time upon renting.

Subscription Video-on-Demand (SVOD): The user subscribes to a subscription model, with mostly monthly payment for usage; multiple usage possible.

According to its study "PwC Global Entertainment & Media Outlook 2018 - 2022", PwC expects revenues in the entire OTT video market to reach 58.4 billion U.S. dollars in 2022, starting from 41.2 billion U.S. dollars in 2018, i.e. growth averaging 9.1% per year. The most important plattforms in the SVOD sector in Europe are Netflix and Amazon Prime Video with still rapidly increasing user numbers. It is expected that other OTT providers will enter into the market. Various TV channel groups and international media groups are in preparation of their own independent OTT presences. But the broadband expansion will also lead to changes in consumer behavior and thus promote OTT's video market growth. More bandwidth leads to faster and more frequent downloads or a more stable Internet connection (4k UHD content).

In order to promote cultural diversity in the European audiovisual sector, the European Parliament (EU) respectively the EU member states have agreed to a regulation under which 30% of the content in the catalogues of Video-on-Demand platforms must contain European productions. Video-on-Demand platforms are also invited to contribute to the development of European productions, either through direct investment in content or through contributions to national funds. The new legislation will continue to apply to broadcasters but will be extended to video-on-demand and video-sharing platforms such as Netflix, Amazon Prime Video, YouTube, Facebook and live-streaming video platforms. The agreement has yet to be formally adopted by the EU Council of Ministers before the law can come into effect. EU members will then have 21 months to transpose it into national law.

Against this backdrop, OTT providers are in a bidding competition for premium content and the demand for in-house productions is constantly increasing. Equipped with the necessary financial strength, the providers are stepping up their investments in local content or entering into partnerships with film production houses. The VOD/SVOD platforms thus represent an important customer group for the distribution of the Wild Bunch Group.

a) France

In the fourth largest market for OTT video in Europe, the SVOD services clearly dominates with the leading platform Netflix, followed by offers such as Canal Play, SFR Play and Amazon Prime Video.

For the entire OTT video market, PwC estimates revenues of 816 million U.S. dollars in 2022. This represents an average annual increase of 9.6% from 565 million U.S. dollars in 2018.

In order to successfully occupy the OTT video market and gain further market share, the established providers are pushing ahead with their investment in local content. Additionally, the competition pressure increases, since further large, financially strong medium enterprises (for example Webedia, Google LLC Play, The Walt Disney Company/21st Century Fox, WarnerMedia Inc./AT&T Inc., Starz Entertainment LLC) begin to set up new SVOD applications or -platforms.

b) Germany

As a result of the ongoing shift in the viewing habits of German households away from linear television towards video on demand on a wide variety of devices, a mature and highly competitive OTT video market has developed in Germany with a broad spectrum of market participants ranging from international SVOD providers to national pay-TV providers. In addition to the major well-known SVOD plattforms such as Netflix, Amazon Prime Video and Sky Germany from Sky Deutschland GmbH, smaller providers are also currently targeting the market in special genres or niches, such as DAZN in the sports sector or AMC Networks' Shudder in horror films. In order to expand their catalogues, OTT providers are particularly investing in local content.

The analysts at PwC see the OTT video market in Germany continuing to grow strongly. Based on sales of 1.1 billion U.S. dollars in 2018, they expect an average increase of 8.1% per year to 1.5 billion U.S. dollars in 2022. The SVOD share of the total OTT video market in Germany will then reach around 67% and determine the market.

c) Italy

The Italian OTT video market still has to catch up, which is also reflected in the sales figures. According to PwC, revenues in Italy in 2018 only amount to 298 million U.S. dollars. The reasons for this cautious development are the current market situation with Video-on-Demand services already included in the pay-TV subscription packages and the relatively poor infrastructure for broadband internet. The latter has to be resolved in order to exploit the full revenue potential of the market. However, the launch of new platforms and the increasing supply of local content and in-house productions by existing SVOD providers will allow the OTT video market in Italy to grow at a rapid pace. Accordingly, revenues of 475 million U.S. dollars are expected in 2022, corresponding to an average annual growth rate of 12.4%.

d) Spain

Only with the launch of Netflix in 2015 the OTT video market in Spain was revived. Ever since, other OTT plattforms such as HBO, Sky or Amazon Prime Video have entered the market. Correspondingly, according to PwC, the OTT video market's revenue is only 158 million U.S. dollars in 2018. A revenue of 261 million U.S. dollars is forecast for 2022. The expected average annual growth is 13.4 %.

4. TV and Home Entertainment

The largest market segment "TV and Home Entertainment" is facing great challenges.

Changing consumption habits accompanied by the ongoing digitization with new innovative technologies, such as the new mobile communication standard 5G, and a wide variety of end devices are forcing market participants to adapt their business models. Traditional TV as the commonly consumed medium could be replaced by alternatives such as OTT video in the long run. The home entertainment segment has been replaced by video-on-demand services for several years with a corresponding impact on revenues. In their study "PwC Global Entertainment & Media Outlook 2018 - 2022", the analysts at PwC assume average annual growth of 0.75% for the overall "Traditional TV and Home Entertainment" market from 261.5 billion U.S. dollars in 2018 to 269.4 billion U.S. dollars in 2022. This growth will be driven for the most part by the growth in pay TV households over the next few years, which will also compensate for the sharp decline in the home entertainment segment. A further downturn to 11.7 billion U.S. dollars in 2022 from 17.6 billion U.S. dollars in 2018, i.e. an average annual decline of 9.64 %, is predicted here.

Due to the market saturation achieved in the developed countries, however, growth is slowing noticeably.

Market participants are also no longer focusing on the previously pursued strategy of gaining market share through acquisitions or expanding geographically or expanding the range of services through multiplay offers in order to attract new consumers. Currently, all market participants have to invest in content in order to provide consumers with the best entertainment and thus increase customer loyalty.

a) France

The TV market in France is based on the two main pillars Pay-TV and the broadcast license fee, which mainly finances France Télévision and Radio France. The fourth largest pay-TV market in Europe is characterized by a price war among providers and the demand for cheaper TV packages by consumers, who supplement them with offers from the OTT video market. Against this background, despite an expected increase in the number of households with a Pay-TV subscription (13.6 million in 2022), sales in the Pay-TV business will fall to 3.2 billion U.S. dollars in 2022 (2018: 3.3 billion U.S. dollars).

The home entertainment market in France cannot escape the worldwide trend towards OTT video services and is recording a significant decline in revenues. Coming from 614 million U.S. dollars in 2018, only 413 million U.S. dollars in revenues are expected for 2022 (minus 9.44% average annual growth).

b) Germany

The German market for traditional television can look ahead with reasonable optimism. The free-TV market still profits from the world's second-highest broadcast license fee which continues to play a significant role in the financing of the public television progammes. It already accounts for 45.3% of total market revenues. In 2022 this share is expected to grow to 47 %.

Despite the advanced maturity and saturation of the market, PwC estimates that Germany will become the largest Pay-TV market in Western Europe in terms of revenues over the next four years. Sales will increase from 6 billion U.S. dollars in 2018 to 6.5 billion U.S. dollars in 2022, with average annual growth of 2 %. This is made possible by price increases for premium services, extensive multi-play offerings and improved technology, such as 4k UHD broadcasts, for which consumers are willing to pay more.

In Pay-TV via satellite, Sky Germany can further secure its leading position in Germany by owning premium content, especially in the sports sector.

For the home entertainment market a further decline in sales in the coming years is expected due to the shift of consumption to the OTT video market. With an average annual decline of 16.3%, revenues are expected to fall significantly from 1.1 billion U.S. dollars in 2018 to 541 million U.S. dollars in 2022, almost halving.

c) Italy

Although the television market is influenced by the macroeconomic uncertainties in Italy and therefore there is little scope for growth, PwC's experts assume that the overall market for "Traditional TV and Home Entertainment" will grow from 5.64 billion U.S. dollars in 2018 to 5.69 billion U.S. dollars in 2022 at an average annual rate of 0.2%.

This marginal market growth will be driven primarily in traditional TV by new, more expensive premium TV packages, for example with more TV channels, new technology such as 4k UHD resolution or "TV Everywhere" services. In 2022, the segment is expected to generate revenues of 3.64 billion U.S. dollars (2018: 3.44 billion U.S. dollars), representing an average annual growth of 1.4%.

The Italian pay television market continues to be characterized by strong dominance market leader Sky Italy in satellite television. In addition, there is no cable TV offer and only negligible IPTV activities. Good prospects are attributed to Mediaset's Pay-DTT (Digital Terrestrial Television), and it is assumed that the number of users will increase here.

Due to its negligible share, the home entertainment segment has no significant influence on the overall market. Nevertheless, the shift towards OTT video services is also leaving its mark here. Revenues will continue to fall from 303 million U.S. dollars in 2018 to 226 million U.S. dollars in 2022, an average of minus 7% per year.

d) Spain

Driven by a strong upturn in multi-play offerings, mostly even quintuple services (mobile, fixed, (A)DSL Internet, TV and WiFi - mobile broadband), the Spanish television market is forecast to grow dynamically by an average of 3.7% per year. Revenue is expected to increase accordingly from 1.98 billion U.S. dollars in 2018 to 2.29 billion U.S. dollars in 2022.

With revenues of 51 million U.S. dollars in 2018, expected to reach 33 million U.S. dollars in 2022, home entertainment like everywhere else is increasingly losing importance.

5. Film Production

The production of feature films or international TV series is also part of the Wild Bunch Group's business activites. This also makes it possible to meet the ever-increasing demand for content in the future, especially from VoD providers. They are largely looking for local content in order to increase the number of their users accordingly.

The Group operates in a very challenging market environment. In the German market for film productions, the leading organization of the film industry (SPIO e.V.) reports that the number of feature films opening in German theatres rose by 9 % to 153 in 2018 from 141 in 2017. In the long term, the 10-year average is 145 films. 49 % of new German feature films were German-foreign co-productions, most of them with France, Austria, Switzerland, Belgium and the US among the preferred co-production countries in the last 10 years. 179 German production companies were involved in the German original releases in 2018.

An important factor in film production throughout Europe is public film funding. Film subsidies can be applied for in various areas and are usually handed out as conditionally repayable loans. Funding can be applied, for example, for production, screenplay development, international co-production, distribution, video exploitation or for maintenance measures at theatre equipment.

IV. Competition

The Wild Bunch Group is facing strong competition as a purchaser of film rights as well as in the exploitation of rights and as a license trader. Wild Bunch's companies operate in an intense and dynamic competitive environment, both on the procurement and distribution side. The increasing dissolving of market segments borders and market players' focal activities leads to a highly fragmented market environment. The ongoing digitisation enables new business models and accordingly new competitors. International and national film production companies, classic film distribution companies with international sales or regional distribution and competitors along the exploitation chain such as cinema, video (VOD/SVOD) or TV are operating in the direct competitive environment. Over all the licenses trade, film production and film distribution business are dominated worldwide by a few Hollywood studios (US), so-called majors.

Private Equity companies are also increasingly interested in participating in market opportunities and positioning themselves through takeovers. For instance, in February 2019, U.S. financial investment company KKR & Co. Inc. (*KKR*) continues its acquisition course in the German production industry. Following Tele München Group, Universum Film and i&u TV, KKR, in conjunction with the U.S. investor Atwater Capital LLP, has agreed to take over Wiedemann & Berg Film ('*The Lives of Others*') from its founders Max Wiedemann and Quirin Berg. Financial details to the deal have not been disclosed. Tele München Group is a media company whose activities include license trading, holding television and radio station interests, cinema, video and TV distribution as well as television and film production. Universum Film acquires feature film and series rights on the national and international markets and exploits them in cinema and home entertainment.

Major comparable listed companies can be summarized as follows:

Mediawan SA (https://mediawan.fr/)

Mediawan SA, is a newly formed Group (2017) aiming at consolidating production and distribution companies through acquisitions to form a significant European player. Its core initial deal was the acquisition of Group AB. The Group's activities are divided into two segments: TV channels and publishing as well as production and distribution. The group produces and distributes TV series, TV films, cartoons and documentaries as well as TV channels and related digital services. Mediawan SA has a portfolio of 19 channels distributed in French-speaking Europe and Africa. The company is headquartered in Paris.

Entertainment One Ltd. (https://www.entertainmentone.com/)

Entertainment One Ltd. is a Canadian film and media company based in Toronto. The Group's activities include the acquisition, production and distribution of television, family, film and music rights worldwide. The company divides these activities into the TV, Family and Film segments. The company has a content rights library with over 80,000 hours of film and television content and around 40,000 music titles. It is active in Canada, USA, UK and Spain.

Leone Film Group S.p.A. (http://www.leonefilmgroup.com/)

The Leone Film Group was founded in 1989. In December 2013, the company was included in the Italian stock exchange index AIM. The following year, the Leone Film Group consolidated its position in TV and film production by acquiring Lotus Production. Based in Rome, the company produces and distributes films in Italy through a variety of distribution channels, including free and pay TV and SVOD platforms. Leone Film has a film media library with around 500 titles.

Splendid Medien AG (https://www.splendidmedien.com/de)

Splendid Medien AG, based in Germany, is a diversified media group with a geographical orientation in German-speaking Europe and the Benelux countries. Its business activities cover all exploitation stages of film marketing. The Group's operating business is divided into the Content and Services segments. The Content segment comprises licence trading with film rights, film and programme exploitation in cinema and home entertainment, as well as film and TV production. In the Services segment, the Group provides services for the film and television industry. The company is headquartered in Cologne.

Lions Gate Entertainment Corp. (https://www.lionsgate.com/)

Lions Gate is a vertically integrated conglomerate with a diversified presence in various sectors. Since the merger of the company with Starz, Lions Gate has been active in the motion picture segment, in which it operates through its subsidiary Motion Picture Group, television productions and media networks. Lions Gate also positions itself in digital home entertainment and on-demand offerings. The feature film segment accounts for the majority of the Group's sales. Lions Gate's content initiatives are supported by an approx. 17,000-title film and television library and provided through a global licensing infrastructure.

Pantaflix AG (https://www.pantaflix.com/de)

The German Pantaflix AG, formerly known under the name Pantaleon Entertainment AG, produces and distributes feature films in Germany and abroad together with its subsidiaries. The core of its business activities is the company's own VOD platform, which enables the acquisition of rights packages from the studios and their licensing into defined individual territories. With its business strategy, the company primarily addresses people living abroad who are interested in national productions of their home country. The company was founded in 2009 and has its headquarters in Munich.

Notorious Pictures S.p.A. (http://notoriouspictures.it/)

Notorious Pictures S.p.A. produces, distributes and markets films in Italy. The company distributes films via various distribution channels, such as cinema, home video, television and streaming systems. Since entering the international production and co-production markets, the company has been continuously adapting to other dynamic markets. Notorious Pictures currently has a film library with more than 870 films. The company was founded in 2012 and is headquartered in Rome, Italy.

7. BUSINESS DESCRIPTION

I. Overview

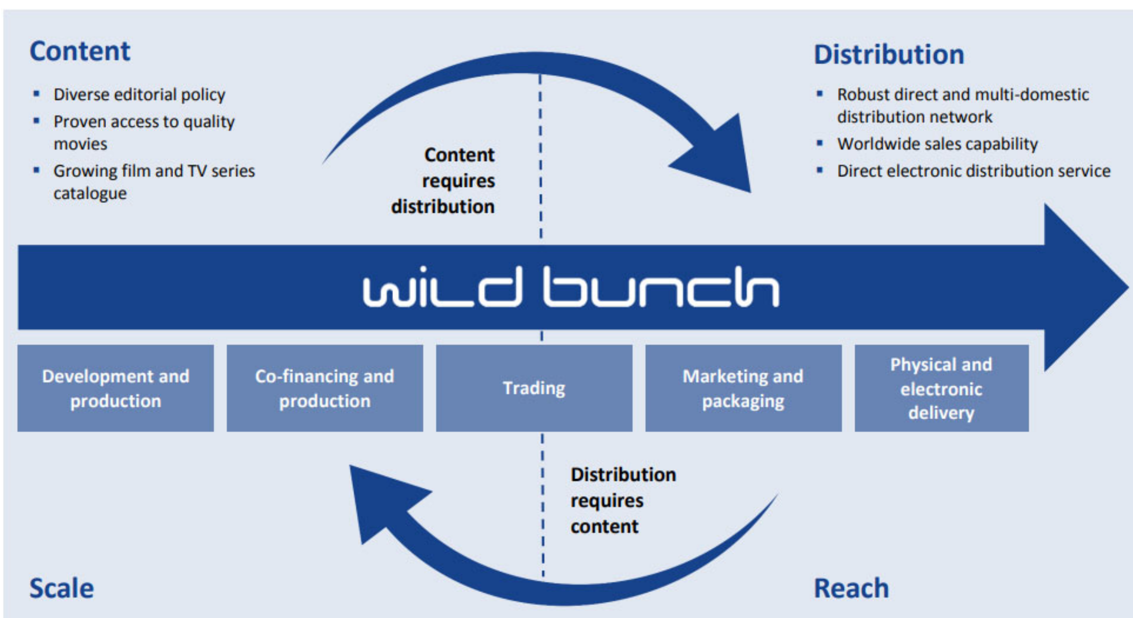
The Issuer is the Wild Bunch Group's holding company and incorporated as a German stock corporation (*Aktiengesellschaft*) listed on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The Wild Bunch Group is an independent European film distribution and production services company active in the areas of acquisition, film and TV financing, co-production, film distribution and international sales. The Issuer offers a wide range of direct distribution services. It has established a worldwide distribution network in international sales via its sales outfits Wild Bunch International Sales, Elle Driver, Versatile and Wild Bunch TV that includes direct distribution in five countries: France with Wild Bunch Distribution SAS and Wild Side Video SAS, Italy with BIM Distribuzione S.r.l., Germany with Wild Bunch Germany GmbH and Central Film Verleih GmbH and Austria with Wild Bunch Austria and Spain with Vértigo Films S.L. With its VOD / SVOD service FilmoTV in France, Wild Bunch also positioned itself in the market of direct electronic distribution early on. Furthermore, Wild Bunch also has a presence in the field of film production with, among others, its brand Senator Film Produktion based in Berlin. With the founding of the label Wild Bunch TV, production activities have been further expanded since 2015. The new label focuses on the co-production, co-financing and distribution of TV series for the international TV market.

The Wild Bunch Group's activities largely relate to France, Italy, Spain, Germany and Austria.

II. Business Model

The Wild Bunch Group is an independent European film distribution and production services company. It is active in direct sales in France, Italy, Germany, Spain and Austria, is active in international sales, finances co-productions and is active in the electronic direct sales of films and TV series. The Wild Bunch Group's activities cover the entire value chain of film production and sales, from the production of feature films and international sales to cinema and digital distribution (TV, home entertainment, VOD/SVOD). The Wild Bunch Group can continually offer new films from around the world by investing in European film productions as well as US and international independent films. Thanks to its international sales activities the company can offer international motion pictures to film distributors and broadcasting corporations around the world.

The Wild Bunch Group's business model can be visualized as follows:



The Wild Bunch Group strives to be different and combines its indispensable tradition-based knowledge of handling talent and the production of high-value content with a radical and novel approach to the market and innovative strategies in order to maximise the commercial value of such content. This includes aligning the business to accommodate alternative sales channels against the backdrop of digitisation and focussing on the production and marketing of high-quality content in the film and entertainment market.

III. Competitive Strength

In the opinion of the Issuer, the Wild Bunch Group's key strength include:

- The Wild Bunch Group facilitates an innovative selection of feature films and TV series with a clear focus on both local content for distribution in its home markets and premium independent movies.
- Through the international approach and the pan-European business model, the portfolio of films and TV series produced and distributed by the Wild Bunch Group is large. The film industry is traditionally subject to a high investment rate and an associated high investment risk. In the opinion of the Issuer, the geographical positioning offers the Wild Bunch Group a competitive advantage to diversify investment risk of individual films through access to an international clientele and thereby reducing risk.
- It is possible for the Wild Bunch Group to negotiate access to "Independent Movies" from sales partners. This bargaining strength is the result of Wild Bunch's presence and specific positioning in several markets. In addition, the market power of Wild Bunch to act is enhenced by the coverage of the entire value chain of feature film production and distribution.
- Considering the ongoing digitization and change from linear television consumption to on-demand TV, the Wild Bunch Group sees itself as a pioneer in the development of innovative solutions for production, distribution and international sales. It is actively facilitating this radical paradigm shift and is continuously working commercializing content via digital channels.
- The Wild Bunch Group maintains diversified revenue streams across various distribution channels, e.g. theatres, video, TV and electronic distribution.
- As an established brand in the film industry, the Wild Bunch Group benefits from its recognized brand image.
- In addition to regularly receiving prestigious festival awards, the Issuer's industry experience is reflected in the extensive content library, which contains over 2,500 titles.
- Wild Bunch continues to benefit from its market position. While the Wild Bunch Group at a national level operates with companies such as Wild Bunch Distribution (France), Vértigo S.L. (Spain), BIM Distribuzione S.r.l. (Italy) or Wild Bunch Germany GmbH (Germany) and is thus able to adapt to country-specific conditions, these companies also benefit from grouping together under an internationally well-known umbrella brand.
- The Wild Bunch Group has many years of industry experience and provides recognised sales expertise which enables to monetise filmed entertainment content worldwide.
- Through a uniform and cross-organizational "greenlighting"-process the Issuer can secure profitability and to make improved use of the global potential of the sales team.
- The Issuer's business activities are managed by an experienced management team with many years of experience in the film industry.
- The Wild Bunch Group maintains a far-reaching talent network in the film and media industry especially to directors, actors/actresses and scriptwriters.

IV. Corporate Strategy

The Wild Bunch Group plans to strengthen its position as an independent European film distribution and production services company. The strong international network and the improved group structure are to be used to further advance the activities – especially in the core markets – and to support and facilitate production of feature film and TV series available to film distributors worldwide and to all distribution platforms for films, from the cinema to digital video services.

The development of new market segments is an essential part of the Wild Bunch Group's growth strategy. As the Wild Bunch Group sees itself as a pioneer in the development of innovative solutions for production, distribution and international sales considering digitization and change from linear television consumption to on-demand TV, it is actively shaping this radical paradigm shift and continuously commercializes content via digital channels. Tailor-made, attractive content and services for the entertainment sector is the way Wild Bunch aims to achieve profitable growth in the years to come.

As part of its long-term corporate strategy, Wild Bunch Group would like to push on with its geographical and content expansion. With the Wild Bunch TV label, which was established in September 2015, the company is focussing on co-producing, financing and marketing international TV series. Under the label Wild Bunch Digital, the company began developing a unified digital strategy for its products in October 2017.

In addition to the further penetration of existing markets, the development of whole new market segments and innovative solutions in production, sales and distribution, and to the issue of geographical expansion, are all critical elements of the long-term corporate strategy.

V. Business Activities

The business units of the Wild Bunch Group are active along the filmed entertainment value chain and comprise the four business areas of production, international sales, distribution, miscellaneous. The first three business segments (production, international sales, distribution) form Wild Bunch Group's core business "International Sales and Distribution and Film Production", the fourth business segment is the "Miscellaneous" segment.

1. International Sales and Distribution and Film Production

The "International Sales and Distribution and Film Production" business segment of the Wild Bunch Group covers the entire value chain for filmed entertainment and includes the exploitation of films in the areas of direct distribution, international sales as well as electronic direct sales, TV sales and home entertainment.

Production: With production subsidiaries, the Wild Bunch Group is active in the area of (co-)production and (co-)financing of feature films and TV series. As a producer it is responsible for the financing and production of the film or series and the delivery of its materials

International Sales and Distribution: The Wild Bunch Group is active in the "International Sales" and "Direct Distribution" segments, the latter commonly referred to only as "distribution". In the International Sales segment, Wild Bunch has the task of sourcing and acquiring rights in content and to sell it or broker it to domestic distributors. Distribution on the other hand describes the domestic marketing of cinema rights, home entertainment rights, television rights and electronic direct sales of feature films and series. In both business segments, the Wild Bunch Group acts as a intermediary. It acquires the rights for national and international feature films and series and then distributes these to further intermediaries (e.g. cinema operators, video distributors, PayTV and Free TV channels and online platforms). As a result of the changing general conditions (e.g. change of consumer behavior to more digital offers or the entry of new competitors such as Amazon or Netflix), the Wild Bunch Group expands its activities along the value chain through in-house productions, its own streaming platform (FilmoTV), the distribution of television series and the product e-Cinema (Direct-to-SVOD). Since 2015, the Wild Bunch Group has also been active in the national and international distribution of television series.

The Wild Bunch Group has developed a pan-European sales network and is currently operating as a direct distribution company in five markets: in France with Wild Bunch Distribution SAS and Wild Side Film SAS, in Italy with BIM Distribuzione S.r.l. ("**BIM**"), in Germany with Wild Bunch Germany GmbH and Central Film Verleih GmbH, in Spain with Vértigo Films S.L. ("**Vértigo**") and in Austria with Wild Bunch Austria GmbH.

Content Library

The Wild Bunch Group currently offers a library of over 2,500 films and TV series, covering a variety of genres, and also sells currently up to 50 new independent films per year. The size and quality of its film library has made Wild Bunch Group companies a crucial partner for all buyers, ranging from TV broadcasting companies to providers of digital video content.

Wild Bunch Group's content catalogue include director-driven, art-house, genre and mainstream fare, as well as documentaries. It includes local, international and English language titles.

Wild Bunch Group companies also made progress in developing production and co-production activities. The Wild Bunch Group co-produced or initiated the co-production of films such as LOMMBOCK, a German comedy co-produced by Senator Film Produktion, DIE PFEFFERKÖRNER UND DER FLUCH DES SCHWARZEN KÖNIGS by Christian Theede, the TV show production OLAF MACHT MUT, co-produced by Senator Film Produktion for MDR and broadcast by ARD, the film CLIMAX by Gaspar Noé in France, LES TRADUCTEURS by Régis Roinsard, GIRLS OF THE SUN by Eva Husson, QUITTE MOI SI TU PEUX by Alice Belaïdi, LES INTRUS by Gonzague Legout and LA PARANZA DEI BAMBINI by Roberto Saviano (the screenplay writer of GOMORRHA) in Italy.

Further details about principal investments are set out in the section "*Investments*" below.

Distribution Approach

The Wild Bunch Group considers that promoting and marketing content require sophisticated skills. Therefore, Wild Bunch Group companies have developed alternative approaches towards commercialisation that are largely based on new electronic sales channels and the restructuring of process planning. This has allowed the Wild Bunch Group to position itself on the electronic direct sales market with its French VOD/SVOD platform FilmoTV, for example. The company is also continually working on expanding the reach and content of FilmoTV through partnerships with traditional broadcasters.

In addition, in the opinion of the Issuer, the Wild Bunch Group has become one of the first distribution companies in Europe to offer online cinema services through an alternative sales model in order to promote "event films" and their economic potential to the public.

In light of VOD's increasing share of the market worldwide and the limited availability of cinema screens, Wild Bunch is offering these films either directly to a number of VOD services, or, where legally permissible, simultaneously via VOD and a limited number of cinemas.

In the current stage of Wild Bunch's strategic development, the success of the films released to theatres remains a material factor for the Group's revenue figures and profitability.

i) France

The Wild Bunch Group released 14 films in France in 2017, including the Chilean production NERUDA by Pablo Larrain (236,397 attendances), the Japanese anime film YO-KAI WATCH by Shigeharu Takahashi and Shinji Ushiro (230,397 attendances), the French comedy GARDE ALTERNEE by Alexandra Leclère (474,134 attendances), the new documentary by renowned film-maker and photographer Raymond Depardon, 12 DAYS (146,350 attendances) and the acclaimed horror film RAW by Julia Ducournau (154,256 attendances).

The Wild Bunch Group released 9 films in France in 2018, including the Chinese crime film UNE PLUIE SANS FIN by Yue Dong (122,297 attendances), the Spanish horror film VERONICA by Paco Plaza (144,901 attendances), the French anime film CROC-BLANC by Alexandre Espigares (478,779 attendances) and the latest film from Argentinian-French filmmaker Gaspar Noé CLIMAX (60,288 attendances).

ii) Germany

In 2017, the Issuer and Senator Film Verleih released 13 films in theatres, including LOMMBOCK by director Christian Zübert, a film co-produced by Senator Film Produktion (341,600 attendances), DIE PFEFFERKÖRNER UND DER FLUCH DES SCHWARZEN KÖNIGS by Christian Theede (326,000 attendances), ROCK MY HEART by Hanno Olderdissen (177,000 attendances) and the French-Canadian animated hit BALLERINA by Éric Summer and Éric Warin (279,000 attendances).

In 2018, the Issuer released 11 films in theatres, including PETTERSSON UND FINDUS 3 - FINDUS ZIEHT UM by director Ali Samadi Ahadi (545,514 attendances), MEINE TEUFLISCH GUTE FREUNDIN by Marco Petry (321,734 attendances), MACKIE MESSER - BRECHTS DREIGROSCHENFILM by Joachim Lang (230,281 attendances) and the animated film GANS IM GLÜCK by Christopher Jenkins (169,948 attendances).

iii) Italy

BIM released in 2017 a total of 15 films in Italy, including IRREPLACEABLE by Thomas Lilti (171,300 attendances) and 50 PRIMAVERE (AURORE) by Blandine Lenoir (71,000 attendances).

BIM released in 2018 a total of 9 films in Italy, including THE CHILDREN ACT - IL VERDETTO by Richard Eyre (327,239 attendances) and UN AFFARE DI FAMIGLIA by Hirokazu Koreeda (199,675 attendances).

iv) Spain

Vértigo released in 2017 a total of 13 films in theatres in Spain, including the Oscar-nominated HELL OR HIGH WATER by David Mackenzie (161,000 attendances) and JACKIE, a biopic of the life of Jacqueline Kennedy by Pablo Larraín (134,000 attendances).

Vértigo released in 2018 a total of 11 films in theatres in Spain, including BOOK CLUB by Bill Holderman (179,093 attendances) and THE CHILDREN ACT - IL VEREDICTO by Richard Eyre (123,652 attendances).

International Sales Approach

As part of its international sales activities, the Wild Bunch Group delivered numerous films via its international sales units Insiders, Versatile, Elle Driver and Wild Bunch International Sales.

This included for 2017 the Russian film CLOSENESS by Kantemir Balagov, RAW by Julia Ducournau, the latest film from the internationally acclaimed director Kore-eda Hirokazu THE THIRD MURDER, RODIN by Jacques Doillon, LOVELESS by Andrej Swjaginzew, RACER AND THE JAILBIRD by Michaël R. Roskam, I AM NOT MADAME BOVARY by Feng Xiaogang, IF I WERE A BOY by Audrey Dana, BELOW HER MOUTH by April Mullen, 7.19 AM by Jorge Michel Grau, SAFE NEIGHBORHOOD by Chris Peckover, S.M.A.R.T. CHASE by Charles Martin, and YOU WERE NEVER REALLY HERE by Lynne Ramsay, starring Joaquin Phoenix. YOU WERE NEVER REALLY HERE was nominated for the Best Film award at the Cannes Film Festival 2017 and won the Best Screenplay and Best Actor awards. Wild Bunch Group's international sales activities generated revenue amounted to EUR 28,274,000 for 2017.

Impacted by the pressure on the Group's investment capacities, International Sales revenue decreased significantly in 2018 to EUR 14.516.000 (EUR 28.274.000 in 2017). The Wild Bunch Group International Sales included for 2018 the internationally acclaimed Lebanon movie CAPHARNAUM by Nadine Labaki, CLIMAX by Gaspar Noé, SHOPLIFTER by Kore-Eda Hirokazu, THE IMAGE BOOK by Jean-Luc Godard, LES FILLES DU SOLEIL by Eva Husson, THE MISEDUCATION OF CAMERON POST by Desiree Akhavan, THE MAN WHO STOLE BANKSY by Marco Proserpio, KINGS by Deniz Gamze Ergüven, THE SISTERS BROTHERS, THE STATE AGAINST MANDELA AND THE OTHERS by Gilles Porte and Nicolas Champeaux, and the French drama COMPTE TES BLESSURES by Morgan Simon.

In addition, Wild Bunch TV, a label belonging to Wild Bunch S.A., Paris, was established in 2015 with the aim of initiating, identifying and co-developing TV series, making co-production and financing services available for TV series, and selling and marketing attractive TV offers worldwide. Wild Bunch TV facilitated its sales activities with two new series: MAMA'S ANGEL by Keren Weissman was sold to 10x45' – YES TV (Israel) and THE EXCHANGE PRINCIPLE by Oded Davidoff was sold to 10x45' – HOT TV (Israel) in 2017.

Wild Bunch TV further managed to strengthen its TV series sales activities in 2018 with the delivery of four new series: TEAM CHOCOLATE by Marc Bryssinck and Filip Lenaerts, a drama series for which Wild Bunch TV sold remake rights to Canadian producer and distributor Reel One Entertainment; THE OIL FUND, a Norwegian series selected at SeriesMania and created by the Hollywood-based Norwegian director Harald Zwart, DRAGONSLAYER666, a Finish series, based on the award-winning book from critically-acclaimed young novelist Aleksi Delikouras and MARY AND MIKE, a Chile spy drama miniseries.

Electronic Direct Sales and Home Entertainment

i) VOD

The sales contribution from VOD/SVOD in the video market increased further in Wild Bunch Group's core markets in 2017 and 2018. Wild Bunch Group also achieved significant revenue with a number of conventional DVD releases.

In the 2017 financial year, the Wild Bunch Group generated significant revenue with Netflix on both a global and regional level, as well as through further sales to Amazon. Wild Bunch is well positioned to profit from the growing demand on the digital video market. Due to lower investment in new film content, revenue in the field of VOD/SVOD remained slightly under the previous year's level in 2017 at EUR 11,127,000.

In relation to SVOD, if Netflix remains by far the leading SVOD player in Europe, Amazon has operationally launched its SVOD activities in 2018 in several new territories and has signed its first agreement with Wild Bunch in May 2018 for library movies. Globally, the group sold over 100 titles in SVOD in 2018, mainly shared between the two services Netflix and Amazon.

ii) Home Video

In the field of home entertainment, the Wild Bunch Group recorded a number of successes on the international market.

In 2017, this included GUARDIANS by Sarik Andreasyan, the most successful directto-video production. In France, it sold 22,000 copies on DVD and was sold 100,000 times via VOD. The sci-fi film THE OSIRIS CHILD by Shane Abbess, released in summer 2017 in France, also achieved good sales figures. It sold 22,000 copies on DVD and was sold 30,000 times via VOD. The thriller HELL OR HIGH WATER by David Mackenzie sold 27,000 DVDs and was downloaded 32,000 via VOD platforms in France. The sales figures in France for RAW by Julia Ducournau, with 10,000 sales each on DVD and VOD, and THE HISTORY OF LOVE by Radu Mihăileanu, with 4,000 DVD and 6,000 VOD sales, were disappointing. In total, Wild Bunch Group generated EUR 13,037,000 in revenue through the sale of home video units.

In 2018, some Wild Bunch physical releases (DVD/BR) achieved high scores, and were often combined with digital releases. Among the wide DVD/VOD releases in France, this includes STAR 80, LA SUITE with a specific marketing campaign, GARDE ALTERNEE, highest DVD sales and top VOD title for the group, the animated movie CROC BLANC released in the high season of Christmas as well as two TV series, BRITANNIA season 1 and TIN STAR season 1 released on October 31st. In Germany such movies as BALLERINA or FELT over performed in terms of VOD sales as compared to expectations. In Italy, the DVD market is very low. The 3 top BIM titles in terms of VOD sales were THE SILENT MAN, SNOWDEN and HAMPSTEAD. In Spain, the total amount of video and VOD sales are stagnant.

iii) TV Sales

In the field of Free-TV and Pay-TV, the Wild Bunch Group generated revenue of EUR 21,535 thousand in 2018 and EUR 28,330 thousand in 2017. This decline is primarily driven by lower investing activity of the Wild Bunch Group during 2017/2018.

Films sold by Wild Bunch Group companies to TV broadcasters in 2017 achieved high viewing figures. 12 YEARS A SLAVE achieved a market share of 12.7% on Canale 5 in Italy. LA FAMILLE BÉLIER hit 6% when it was broadcast on Rai 3. In Germany, the first run of OLAF SCHUBERT TV SHOW on ARD averaged 1.04 million viewers per episode.

The attractiveness of the Wild Bunch film library was confirmed by solid revenue in France: films such as DETECTIVE DEE 2, DRIVE, THE SHOCK CORRIDOR and THE TIGER OF ESCHNAPUR by Fritz Lang were sold to ARTE. Canal+ broadcast titles such as TORO and HELL OR HIGH WATER. HEY GOOD LOOKING! (TF1 series) and AUGUST: OSAGE COUNTY (C8) were shown on various TNT channels. SAINT SEIYA was sold to Altice. Traditional TV broadcasters such as France 2 and France 3 also contributed to our sales success with CHANGING SIDES and HAUTE CUISINE respectively. In Italy, Wild Bunch also experienced diversity in sales activity, which was also due to new Freeview TV offers. Numerous films from our library were sold to a variety of TV broadcasters, such as Paramount, Comedy, Cielo, TV8 and Universal.

In 2018, Wild Bunch also achieved significant sales to local TV channels. In France top audiences were for 9 MOIS FERME (France 2), LE GRAND PARTAGE (France 2) or LA VIE D'ADELE (ARTE).

2. Miscellaneous

The Wild Bunch Group activities in the business segment "Miscellaneous" include the operation of the company's own VOD platform FilmoTV, sales for "on board entertainment" in aircrafts and the administration of music publishing rights as well as film screenings at film festivals (e.g. Cannes Film Festival).

In 2018, FilmoTV was mainly dedicated to the further upgrading of its new interface (FilmoGeneric). Filmo pursued the deployment of FilmoGeneric with more implementation at its distribution partners' sites and was launched on Orange, Playstation and Android TV. FilmoTV centered FilmoGeneric development on personalized marketing by developing profiling tests and has thus made it possible to refine the editorial and marketing proposal and consequently improve the application's performance. FilmoTV has also set up a new marketing scheme which helped to improve the service's visibility on operators' set top boxes.

VI. Material Contracts

1. Distribution and Production

a) Licensing Agreement with Universum Film GmbH (Pay VoD and DTO)

On 18 December 2015, Senator Entertainment GmbH and Universum Film GmbH entered into a licensing agreement, which allows Universum Film GmbH to commercially use certain film content (a) exclusively by way of non-commercial demonstration, or (b) exclusively by way of commercial download to own or download to burn and electronic selling through distribution (EST / DTO) or (c) non-exclusively offer the content to the public for temporary download or streaming against payment (Pay VoD). The agreement covers the use in Germany and Austria only. The licensing period is about eight years. The payment of Universum Film GmbH includes a fixed component per film content and a proceeds participation. The proceeds participation differs in relation to marketing and is usually in the area of a low to medium two-digit percentage of the net proceeds resulting from the distribution. The fixed component for all film content covered by the agreement is about EUR 2,650,000 which amount is already paid. The agreement is governed by German law.

b) Licensing Agreement between BIM Distribuzione Srl and RAI Cinema S.p.A. (FreeTV)

On 19 December 2018, RAI Cinema S.p.A. ("**RAI**") and BIM Distribuzione Srl ("**BIM**") entered into a licensing agreement under which BIM grants the right of exploitation of certain rights of use to 19 films to RAI. The exploitation rights transferred to RAI under the agreement include any form of Free TV, Satellite TV and Digital TV free-of-charge transmission or a respective sublicensing of these rights for a period of five years or 30 months dependent on the individual picture. The rights are transferred for exclusive use which is limited to the territory of the Italian Republic. The overall licensing fee which is allocated among the titles to be received by BIM throughout nine instalments is EUR 1,765,000 which is, as of the date of this Prospectus, paid in an amount of EUR 1,290,000.

c) Distribution Service Agreement between Vértigo Films S.L. and Sony Pictures Entertainment Iberia S.L.U.

On 19 March 2018 Vértigo Films S.L. ("**Vértigo**") and Sony Pictures Entertainment Iberia S.L.U (“**Sony Pictures**”) entered into a distribution service agreement regarding the distribution of home entertainment products. Under this agreement, Vértigo as licensor grants the sole and exclusive license under copyright to provide exclusive sales and distribution services or to sublicense such rights for films to which Vértigo holds exploitation rights. Vértigo is also obliged to deliver finished product to Sony meaning manufactured, packaged and ready for sale finished videograms (DVDs, BluRay) which Sony markets to retail. The term of the agreement is three years. The territories in which Sony renders its services under the agreement include Spain and Andorra. Sony as licensee shall be entitled to a distribution fee of 15% of the net receipts from its services. The contract can be considered material for the businesses of Vértigo as it provides the opportunity in a shrinking market to outsource the home entertainment division and thus to reduce overhead costs and mitigate business risks.

d) Distribution Service Agreement between Wild Side Video SAS and Warner Bros. Entertainment France SAS.

On 25 August 2011, Wild Side Video SAS ("**Wild Side**") and Warner Bros. Entertainment France SAS ("**Warner Bros**") entered into a distribution service agreement regards the distribution of home entertainment products. Under the agreement, Wild Side as principal appoints Warner Bros as its exclusive agent to provide sales and distribution services. Warner Bros. commissions the (re-)production of the physical copies and the physical distribution of the physical home entertainment devices (DVD and BluRay) through its established retail channels in the licensed territories, i.e. France, French overseas territories, French speaking Belgium and Luxembourg and French-speaking Africa. The contract had an initial term of three years from 2 January 2012 and has been extended twice for the same period. Warner as agent shall be entitled to a distribution fee of 13.5% of the net receipts from its services and an annual trade marketing and promotion budget of 10% (applicable on products with a public price under EUR 9,99 including VAT) of the annual covered by Wild Side. The contract can be considered material for the businesses of Wild Side as it provides the opportunity to outsource wholesale and retail delivery within the home entertainment activity.

e) Licensing Agreement between BIM Distribuzione Srl and Sky Italia s.r.l. ("Sky") (PayTV)

On 25 October 2018, BIM and Sky entered into a Pay-TV license agreement under which BIM transfered to Sky the exclusive right to broadcast within an approx. one-year license period ten new films over its pay-TV channels (plus SVOD back-up for a hundred days from the broadcast) in the licensed territory Italy. The global license fee for all ten films is EUR 790,000 paid in 20% and 30% instalments over the course of the license period.

2. Acquisitions and Divestments

During the 2017 financial year, BIM sold 10.57% of its shares in Circuito Cinema S.r.l. The company now holds just 24.9% of shares in the Italian cinema operator. The shares were sold to co-shareholders for strategic reasons.

3. Financing Agreements

a) Bank Leumi (UK) plc Financing

i) Overview

On 5 April 2017, the Issuer as borrower and parent entered into an English law governed EUR 30,000,000 revolving credit facility agreement (as amended from time to time, the "**RCF**") with, *inter alia*, Wild Bunch Germany GmbH, Senator Film Verleih GmbH, Senator Home Entertainment GmbH, Senator MovInvest GmbH, BIM Distribuzione S.r.l. and Vértigo Films S.L as borrowers and guarantors, Eurofilm & Media Limited as guarantor (together the "**RCF Obligors**") and Bank Leumi (UK) plc ("**Bank Leumi**") as lender, agent, security agent and as arranger.

Pursuant to the terms and conditions of the RCF the lenders made available revolving credit facilities up to an amount of EUR 30,000,000 ("**Revolving Facilities**"). The amount available for Revolving Facilities is based on the value of collateral the RCF Obligors pledged, assigned or transferred as security to the security agent. The availability period of the RCF ended on 5 April 2019 and all outstanding amounts will be due the latest at the final termination date on 5 April 2020. As of 5 April 2019 under the RCF an aggregated amount of EUR 25,437,320.13 is outstanding and all other undrawn commitments were cancelled. The above-mentioned global amount is drawn by the borrowers pursuant to the following proportion: Issuer EUR 19,965,556.96; Vértigo Films S.L. EUR 1,222,020.76; BIM Distribuzione S.r.l. EUR 4,249,742.41.

In connection with the RCF, Bank Leumi, the RCF Obligors and WBSA entered into a subordination agreement, which governs the relationship and priorities of intra-group creditors and debtors and the finance parties under the RCF. The subordination agreement provides subject to certain exceptions and qualifications, among others, (i) that the claims of the finance parties under the RCF are senior to intra-group liabilities of the RCF Obligors and WBSA; (ii) that the RCF Obligors and WBSA undertake to not repay any loan or other financing arrangement granted by a member of the Wild Bunch Group and to not enforce any loan or financing arrangement made available to a member of the RCF Group until the claims of the finance parties under the RCF are repaid in full; and (iii) a waiver of certain rights of the RCF Obligors and WBSA related to intra-group loans.

ii) Interest

The Revolving Facilities bear interest at a rate of LIBOR or, in relation to any loan in euro, EURIBOR (provided that LIBOR or EURIBOR, if below zero, will be deemed to be zero) plus 3.50% per annum. Accrued interest on the loans drawn under the RCF is payable on the last day of each interest period and in any event no later than quarterly in arrears.

iii) Purpose

The Revolving Facilities may be used for (i) refinancing certain financial indebtedness owed by the borrowers; (ii) the acquisition of distribution rights in television programs and films in the ordinary course of business; (iii) the funding of general working capital of the Issuer and its subsidiaries in Ireland, Germany, Italy and Spain (together the "**RCF Group**") including development and production; (iv) the funding of permitted acquisitions and the funding of borrower's overhead costs up to a maximum aggregate amount of EUR 3,000,000 per annum; and (v) payment of interest, bank charges, fees and other expenses related to the Revolving Facilities.

iv) Prepayment and Cancellation

Subject to certain conditions, the borrowers may voluntarily prepay its utilizations and/or permanently cancel all or part of the available commitments under the RCF. In addition to voluntary prepayments, the RCF requires mandatory prepayment of the loans made available under the RCF in full or in part in certain circumstances, including (i) with respect to any lender, in full if it becomes unlawful in any applicable jurisdiction for such lender to perform any of its obligations under the RCF or to fund, issue or maintain its participation in any loan; and (ii) in full, if a change of control of the Issuer occurs or substantially all of the assets of the RCF Group are sold.

v) Guarantees and Security

All obligations of the borrowers under the RCF and related finance documents are unconditionally guaranteed by all RCF Obligors subject to enforcement limitations due to applicable corporate capital maintenance rules. All present and future claims of the finance parties under the RCF and related finance documents are secured by substantially all of the assets of the borrowers and/or guarantors under the RCF, including: (i) pledge over shares held by the Issuer and WBSA in the RCF Obligors, except the shares of the Issuer itself; (ii) debenture over the assets of Eurofilm & Media Limited; (iii) pledge over bank accounts of the RCF Obligors; (iv) security assignment of intellectual property rights of the RCF Obligors; (v) global security assignment of receivables of the RCF Obligors; and (vi) security transfer and assignment relating to film material of the RCF Obligors.

vi) Certain Covenants

The RCF contains a number of customary negative covenants that, among others and subject to certain exceptions, may restrict the ability of the RCF Group to (i) incur additional indebtedness; (ii) pay dividends or distributions on its capital stock or redeem, repurchase or retire its capital stock; (iii) make investments, loans, guarantees and acquisitions; (iv) engage in transactions with its affiliates; (v) sell or dispose assets, including capital stock; (vi) consolidate, enter into a joint venture or merge; (vii) substantially change the business it conducts; (viii) incur liens or grant security; and (ix) issue shares.

Furthermore, the RCF requires compliance with certain customary affirmative covenants, subject to certain exceptions and qualifications, among others including with relation to (i) required authorizations and consents, (ii) compliance with laws, (iii) pari passu ranking of unsecured and unsubordinated debt, (iv) preservation of assets, (v) payment of taxes, and (vi) granting of access.

In addition, the RCF requires the Issuer to provide certain information on the financial condition of the RCF Group and WBSA and meet monthly, quarterly, half-yearly and yearly certain financial covenants.

vii) Restricted Payments to WBSA, acquisition of minority shareholdings

The RCF generally restricts dividends, payments in cash or in kind to or guarantees for WBSA or other members of the Wild Bunch Group, which are not part of the RCF Group to an aggregate amount/value of EUR 2,000,000.

Furthermore, the RCF contains an obligation for the Issuer to (i) acquire the minority shareholding in Wild Bunch Germany GmbH and so own 12% of the entire issued share capital of that company; (ii) procure that WBSA acquires the minority shareholding in Vértigo Films S.L. and so owns legally 100% of the entire issued share capital of that company; and (iii) pledge the so acquired shares to secure the claims of the finance parties under the RCF until the Fourth Further Extended Long-Stop Date (as defined below*).*

viii) Events of Default

The RCF contains certain customary events of default, the occurrence of which would allow the majority lenders to direct the agent to cancel the commitments, declare that all or part of the loans together with accrued interest and all other amounts accrued or outstanding under the RCF or related finance documents be immediately due and payable or declare that all or part of the loans be payable on demand.

These events of default, subject to certain agreed grace periods, thresholds, materiality qualifiers and other exceptions, include without limitation, (i) failure to make payment of amounts due and payable in connection with the RCF or related finance documents; (ii) failure to comply with the financial covenants or other obligations; (iii) misrepresentation; (iv) cross default with respect to other financial indebtedness of any member of the RCF Group, subject to a threshold of EUR 150,000; (v) certain insolvency events or proceedings in relation to any member of the RCF Group and WBSA; (vi) certain creditors' processes, including expropriations, attachments or sequestration of assets of any member of the RCF Group and WBSA or similar events subject to a threshold of EUR 150,000 individually or EUR 400,000 in aggregate; (vii) cessation of business of any member of the RCF Group or WBSA; (viii) change in ownership of any member of the RCF Group and WBSA, except the Issuer; (ix) material adverse change; and (x) qualification of the audit report for the annual audited financial statements of the Issuer.

ix) Waiver and Standstill Agreement

On 14 July 2018, the Issuer has entered with Bank Leumi into a waiver and standstill agreement relating to the RCF (as amended, restated, supplemented, modified, renewed, extended, or replaced from time to time, "**Waiver and Standstill**"), in which Bank Leumi agreed to a standstill and forbear from exercising any rights or remedies arising as a result of any default or event of default which occurs as result of certain described restructuring measures of the Wild Bunch Group and other previous defaults. Such rights of Bank Leumi shall be waived upon completion of the described restructuring measures. The Waiver and Standstill was subject to termination on initially 31 October 2018, which was extended several times by extension request letters until now the earlier of (i) 26 March 2019; (ii) 28 February 2019, in the event the French lenders which have provided financing to WBSA and Tennor Holding B.V. ("**Tennor**", formerly named Sapinda Holding B.V.[*]) fail to complete a refinancing transaction relating to debt lent by the French lenders by 28 February 2019 and the French lenders do not agree to extend their standstill period beyond 28 February 2019, or (iii) the date of the extended standstill period of the French lenders (the "**Fourth Further Extended Long-Stop Date**").

In relation to the RCF, Voltaire commited itself in a deed of agreement dated 14 July 2018 to purchase for cash all claims outstanding for the amount outstanding from Bank Leumi (UK) plc by 19 July 2019, which are not repaid by the Issuer or WBSA by such date. (see "8. *Restructuring of the Wild Bunch Group*" for further details).

[*] Voltaire Finance B.V. was a wholly owned subsidiary of Sapinda Holding B.V. (renamed to Tennor Holding B.V.), until the shares of Voltaire Investment B.V., the direct holding company of Voltaire Finance B.V., were transferred in their entirety to Zuglex Trustee AG.

b) Other Agreements in the course of the Wild Bunch Group's Restructuring

For principal financing agreements made in the course of the Wild Bunch Group's recent restructuring, in particular the Bridge Facility Agreement, the Shareholder Loan for French Bank Claims and the Working Capital and Content Acquisition Facility, we refer to the section "*Restructuring of the Wild Bunch Group*" below.

VII. Intellectual Property

The Issuer or Wild Bunch Group companies are the registrants of various word and figurative trademarks as well as internet domains for Wild Bunch Group companies in many of the jurisdictions the Issuer or any Wild Bunch Group company operates in.

VIII. Investments

Wild Bunch Group's capital expenditures principally comprise the acquisition of film rights and other intangible assets.

1. Material Investments in the financial years 2017, 2018 and 2019 up to the date of this Prospectus

In the financial year 2017 the Wild Bunch Group has invested total amounts of EUR 44,510,000 on the acquisition of film rights. The regional focus of the Issuer's investments was primarily on France with EUR 19,991,000. Second largest region of investments was Germany with an amount of EUR 12,976,000, followed by Italy EUR 6,270,000 and Spain EUR 2,829,000. Wild Bunch's capital expenditures in the financial year 2017 were primarily funded by cash flows from operations and bank liabilities.

In the financial year 2018, the Wild Bunch Group has invested total amounts of EUR 18,879,000, of which almost the entire amount was spend on the acquisition of film rights for Distribution, e-Cinema and International Sales. The regional focus of the Issuer's investments was primarily on Germany with EUR 6,565,000. Second largest region of investments was France with an amount of EUR 5,143,000, followed by Spain EUR 4,378,000 and Italy EUR 1,962,000. Wild Bunch's capital expenditures in the financial year 2018 were primarily funded by cash flows from bank financing (see section "*3. Financing Agreements a) Bank Leumi (UK) plc Financing*") and shareholder loans (see section "*8. Restructuring of the Wild Bunch Group II. Bridge Facilities Agreement*".

For period of the current financial year 2019 until the date of this Prospectus, material investments in completed film rights acquisitions assorted per highest individual investment amount and region are described below:

Name	Amount invested (unaudited, in EUR)
France	
REBELLES	300,000
DRAGON BALL SUPER BROLY	100,000
GOLIATH	50,000
ALL IS GOOD	40,000
Germany	
DUMPLIN	341,880
SECRET	280,000
SISTERS BROTHERS	200,000
Italy	
BOOK CLUB	411,356
HOME PRESSE	250,000
HANGMAN	217,000
LA QIETUD	95,000
Spain	
THE OLD MAN AND THE GUN	214,805
PHOTOGRAPH	125,000
UN HOMME PRESSE	100,000
GOLDEN GLOVE	75,000

2. Current Material Investments

The Wild Bunch Group made the following acquisition of film rights in development for Distribution, e-Cinema and International Sales. These material investments are in progress. The regional focus of the Issuer's investments is primarily on Germany, France, Italy and Spain.

As of the date of this Prospectus, the following material investments per region in film rights (individual and total) are in progress:

Name	Amount
	(unaudited, in EUR)
France	
LE NOM DE LA ROSE	2,200,000
THE FACTORY	200,000
MARY AND MIKE	127,119
LONG DAYS JOURNEY	100,000
Total	**7,482,447**
Germany	
LOTTALEBEN	1,306,640
KURSK	200,000
DEUTSCHSTUNDE	200,000
Total	**3,083,336**
Italy	
THE BANKER	351,890
WILD ROSE	223,966
PHOTOGRAPH	205,000
GOLDEN GLOVE	140,000
Total	**1,445,856**
Spain	
CHILD'S PLAY	223,214
Total	**435,683**

These capital expenditures will be funded by cash flows from shareholder loans (see section "*8. Restructuring of the Wild Bunch Group II. Bridge Facilities Agreement*" and "*8. Restructuring of the Wild Bunch Group IX. Working Capital and Content Acquisition Facility*").

3. Future Investments

As part of the operative restructuring, the management board of the Issuer resolved in a resolution on the business planning dated 5 March 2019 to invest primarily in content acquisition and in the business areas Distribution, Wild Bunch TV and International Sales. Such resolution covers the period from 2019 to 2022.

The following table set out the breakdown of such resolved budget per business area and region:

Name	2019	2020	2021	2022
	(unaudited, in EUR thousand)			
France	13,750	34,000	43,000	46,000
Wild Bunch TV	5,474	14,043	22,632	25,300
International Sales	3,796	10,348	10,561	10,733
Theatrical Local	1,232	2,957	3,018	3,067
Theatrical Others	1,847	4,435	4,526	4,600
e-Cinema	1,401	2,217	2,263	2,300
Spain	3,000	3,000	5,000	5,000
Italy	4,000	5,000	5,000	5,000
Theatrical Others	2,639	4,167	4,167	4,167
e-Cinema	1,361	833	833	833
Germany	13,000	15,000	17,000	17,000
Theatrical Local	10,166	11,330	12,694	12,294
e-Cinema	2,834	3,670	4,306	4,706
Total	**33,750**	**57,000**	**70,000**	**73,000**

The Wild Bunch Group will fund these expenditures using cash flows from shareholder loans (see section "*8. Restructuring of the Wild Bunch Group IX. Working Capital and Content Acquisition Facility*"); from new, still to be completed bank financing (see section "*17. Recent Developments and Outlook*"); from operating funds released from historically acquired films and from an improving operating result in the following years caused by increased investment activity.

As of the date of this Prospectus, the Issuer did not made any firm commitment in relation to any specific principal content acquisition or film production which has not yet started.

IX. Legal Proceedings

During the ordinary course of its business activities, the Group is regularly involved in legal disputes, which it is usually able to settle out of court. These disputes – and in a few cases proceedings – are routine matters of labor and other laws, and do not have a significant impact on Wild Bunch Group's business. Save for the lawsuits and proceedings mentioned in the next paragraphs, as of the date of this Prospectus the Issuer and the Wild Bunch Group are not involved in any governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened of which the Issuer is aware), which may have significant effects on the Issuer and/or the Wild Bunch Group's financial position or profitability.

On 19 November 2018, the Federal Office of Justice (*Bundesamt für Justiz*) imposed a disciplinary fine amounting to EUR 2,500 against the Issuer. The disciplinary fine order related to a breach of section 325 HGB as the Issuer had failed to submit its consolidated accounting documents for the financial year 2016 for the purpose of disclosure to the operator of the German Federal Gazette (*Bundesanzeiger*) in electronic form within the prescribed period. The legal basis for the sanction is section 335 HGB.

In 2016, Wild Bunch AG offended against 37v (1) sentences 2 and 3 WpHG with respect to the annual financial report 2015 and section 37w (1) WpHG with respect to the half-year financial report 2016. On 18 May 2017, BaFin imposed coercive fines in the amount of EUR 140,000 on Wild Bunch AG with respect to Wild Bunch AG's alleged violation of 37v (1) sentences 2 and 3 WpHG. The order has been legally binding since 24 June 2017.

In January 2019, BaFin initiated fine proceedings against Wild Bunch AG with respect to Wild Bunch AG's alleged violation of § 37w (1) WpHG (). BaFin is yet to determine the amount of the fine against Wild Bunch AG. In general, the amount of the fine is determined in accordance with BaFin's standardized guidelines on the determination of fines and subject to various criteria. While in general, BaFin is entitled to impose fines up to low seven-digit numbers, the fines imposed by BaFin in previous similar proceedings, according to public information, mostly range from low to mid-six-digit numbers.

X. Insurance Coverage

For the limitation of risks, the Issuer and other Wild Bunch Group companies have concluded customary insurance policies. In particular, members of the Management Board and the Supervisory Board are, up to a certain limit, covered for breaches of their duties as board members by a D&O insurance policy (directors and officers liability insurance). This insurance policy covers financial damages resulting from activities of the members of the governing bodies of the Issuer. The limit of liability is EUR 25,000,000 per occurrence, and a maximum of EUR 25,000,000 in each insurance year. The insurance policies stipulate a deductible for the members of the Management Board and the Supervisory Board members in the amount of at least 10% of the damages and at most 150% of the fixed annual remuneration for all occurrences within an insurance period, excluding liability claims in each case. The insurance does not provide any cover in the event of intentional misconduct, and insurance coverage may be revoked (retroactively) and payments be required to be reimbursed to the insurance if such intentional misconduct is determined. Currently, the annual insurance rate amounts to EUR 32,500 plus insurance tax.

In the opinion of the Issuer, the insurance policies concluded and their respective terms and conditions (sums insured, premiums, limitations of liability and liability exclusions, deductibles etc.) are customary and tailored to the Issuer's industry and ensure adequate and appropriate protection, considering the costs and potential risks. The insurance protection is regularly reviewed and adjusted, if necessary. It can, however, not be excluded that the Issuer will incur losses or that claims will be brought against the Issuer which go beyond the nature and scope of the existing insurance protection.

XI. Employees

As of the date of this Prospectus, the Wild Bunch Group had an average number of 149 employees (incl. Management Board). There is no employee bonus scheme or stock option plan. The table below contains an overview of the average number of employees in different areas during the periods indicated:

Region	2018	2017
	(audited)	
France	90	93
Germany	33	35
Italy	12	13
Spain	11	11
Ireland	2	2
Austria	1	1
Total	**149**	**155**

The Wild Bunch Group has pension obligations *vis-à-vis* former employees on the basis of corporate pension scheme commitments. The Group maintains performance-oriented retirement plans for all eligible employees of its subsidiaries in France. The Group recognises existing statutory obligations to make severance payments to employees as long-term employee benefits upon termination of employment. The cost of performance-oriented retirement plans after termination of the employment relationship is determined by actuarial calculations. The actuarial valuation is based on assumptions concerning discount rates, expected retirement age, future wage and salary increases, and mortality. If the assumptions do not develop in line with the premises, the actual expenses for pensions may differ from the calculated costs. In view of the long-term orientation of these plans, such estimates are subject to substantial uncertainties. The provision for pensions and similar obligations amounted to EUR 762,172 as of 31 December 2018 (EUR 645,000 as of 31 December 2017).

The statutory pension scheme in Germany is treated as state scheme in terms of a multi-employer plan as defined by IAS 19.32. In total, in the 2018 financial year, EUR 157,000 (2017: EUR 160,000) was paid by the employer for employees of the domestic subsidiaries into the statutory pension scheme and recorded as expenses (employer contributions).

XII. Research and Development

The Wild Bunch Group does not engage in any research and development activities.

XIII. Property, Plant and Equipment

The Issuer does not own any property. Instead, it leases its office locations at Knesebeckstrasse 59-61, 10719 Berlin, Germany. The lease agreement is dated 29 June 2015, has a term of 5 years and is subject to automatic extension if not terminated by any party within a nine months notice period.

In addition, the Issuer leased storage space. The lease agreement has been terminated by end of September 2019.

The Issuer is not aware of any environmental issue that may affect the Issuer's or any Wild Bunch Group company's utilization of the property set out above.

8. RESTRUCTURING OF THE WILD BUNCH GROUP

I. Overview

The Issuer's profits for the period 2017 and 2018 declined significantly due to a decline in sales caused by less production and acquisition activity of cinematic content due to insufficient availability of funds. In 2018, the Issuer has developed a concept for its restructuring which includes operational measures as well as measures for the financial restructuring of the Issuer and its French Wild Bunch Group companies. The operational measures have the purpose of stabilizing the operations of the Issuer as well as to regain profitability in the medium term. The financial restructuring had the objective of disburdening the Issuer and Wild Bunch Group from substantial financial liabilities and of strengthening the Issuer's equity. The financial restructuring on the Issuer's equity has meanwhile been implemented.

In relation to the Wild Bunch Group's operations, the following actions are in the course of being implemented or have already been implemented:

- Optimization of the process regarding the acquisition of film rights (*greenlighting*) in order to reduce the risk of acquiring unprofitable film content and/or film projects;
- Optimization of structures and training of personnel in order to promote skills of Wild Bunch Group's employees;
- Reduction of personnel expenses;
- Establishment of a tax group among the Issuer and its subsidiary Wild Bunch Germany GmbH in order to reduce the tax burden of Wild Bunch Group.

In addition to the aforementioned operational measures, capital measures have been implemented in order to financially restructure the Issuer and Wild Bunch Group including, in particular, the Issuer's wholly owned French subsidiary WBSA.

The concept for the financial restructuring of Wild Bunch Group was developed by the Management Board of the Issuer with the support of the investor Voltaire Finance B.V. (i.e. Voltaire), a limited liability company under the laws of The Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*) with corporate seat in Amsterdam, The Netherlands, business address: Schiphol Boulevard 127, G4.02, 1118 BG Schiphol, The Netherlands, registered with the commercial register of the Dutch chamber of commerce (*Kamer van Koophandel*) under number KVK 71800611.

The financial restructuring measures comprise of (a) a decrease in the Issuer's registered share capital (*Grundkapital*) at a ratio of approximately 40 to 1, (b) an increase in the Issuer's share capital against contributions in kind in the form of the bond issued by Issuer in 2016 with an aggregate nominal amount of EUR 18,000,000, and (c) an additional increase in the Issuer's share capital against contributions in kind in the form of certain payment claims of French banks and film funding companies against WBSA and other French companies of the Wild Bunch Group which payment claims were acquired by Voltaire and, subsequently, contributed by Voltaire to the Issuer.

The Issuer, WBSA, Voltaire and Tennor (formerly named Sapinda Holding B.V.) entered into a Restructuring Framework Agreement dated as of 15 June 2018 (the "**RFA**") under which the parties thereto agreed on their respective rights and obligations with regard to the aforementioned financial restructuring measures. In particular, Voltaire committed to acquire, and contribute to the Issuer, the aforementioned payment claims of French banks and film funding companies subject to the fulfillment of certain conditions. Furthermore, Tennor committed to grant an interim loan to Issuer and WBSA to ensure the funding of Wild Bunch Group until completion of the restructuring.

In addition and as of the date of this Prospectus, the financial restructuring activity covered the following measures in relation to the Wild Bunch Group's debt financing: Already in 2017, the Issuer entered into a EUR 30,000,000 revolving credit facility agreement with Bank Leumi (UK) plc as lender. In relation to such agreement, a wholly owned subsidiary of Tennor commited itself in a deed of agreement dated 14 July 2018 to purchase for cash all claims outstanding for the amount outstanding from Bank Leumi (UK) plc by 19 July 2019. Voltaire entered into a EUR 26,455,981.81 shareholder loan agreement which summarized, restructured and replaced the existing French debt of certain Wild Bunch Group companies from past film projects. On 13 May 2019, Voltaire as creditor entered into a EUR 40,000,000 working capital and acquisition credit facility agreement with the Issuer as borrower, which replaced an existing EUR 27,000,000 bridge loan and provides further capital to strengthen the working capital base and acquisition abilities of the Wild Bunch Group companies.

The financial restructuring measures are more closely described below:

II. Bridge Facilities Agreement

Tennor (formerly named Sapinda Holding B.V.) made available term loan facilities to the Issuer and WBSA in the aggregate amount of, initially, EUR 15,000,000 under a bridge facilities agreement dated 23 July 2018. The bridge facilities agreement was most recently amended and restated on 30 January 2019 and as of the date of this Prospectus provides for an aggregate amount of the loan facilities of EUR 27,000,000 (the bridge facilities agreement, as amended, the "**Bridge Facilities Agreement**"). The term loan facilities made available by Tennor under the Bridge Facilities Agreement become due for repayment six months after the date on which the first term loan facility is made. The rates of interest under the Bridge Facilities Agreement are (a) 9.5 per cent. *per annum*. for loans made to WBAG, (b) until 5 November 2018, 9.5 per cent. *per annum* for loans made to WBSA up to an aggregate amount of EUR 5,000,000 and 15% p.a. for loans made to WBSA and exceeding an aggregate amount of EUR 5 million and, (c) from 5 November 2018, 9.5 per cent. *per annum* for loans made to WBSA. The Bridge Facilities Agreement is governed by German law.

III. Refinancing Commitment of Voltaire *vis-à-vis* Bank Leumi

On 14 July 2018, Bank Leumi and Voltaire (formerly named SWB Finance B.V., which was as of 14 July 2018 a wholly owned subsidiary of Sapinda Holding B.V. (i.e. Tennor)) entered into a deed of agreement governed by English law. By such agreement, Voltaire committed itself to purchase the outstanding commitments under the RCF (i.e. the EUR 30,000,000 revolving credit facility agreement between, among others, the Issuer as borrower and Bank Leumi as creditor) for cash amounting to the total of all amounts owed by Bank Leumi as of 5:00 p.m., 19 July 2019, if the Issuer or WBSA have not repaid such outstanding amounts in whole by such date. The purpose of this agreement is to support the subsequent financial restructuring of the Wild Bunch Group.

IV. Capital Decrease

The General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer of 26 September 2018 (the "**2018 AGM**") resolved to decrease the registered share capital (*Grundkapital*) ("**Share Capital**") of the Issuer from EUR 81,763,015 to EUR 81,763,000 and, subsequently, at a ratio of 40 to 1 from EUR 81,763,000 to EUR 2,044,075 (collectively, the "**Capital Decrease**"). The resolutions on the Capital Decrease were entered in the commercial register (*Handelsregister*) ("**Commercial Register**") of Issuer on 26 November 2018.

V. Debt-Equity Swap I

The principal financial debt of the Issuer was the bond issued by the Issuer in 2016 with an aggregate nominal amount of EUR 18,000,000.00, divided into 180 notes (the "**Notes**") with a nominal amount of EUR 100,000 each (ISIN: DE000A2AALE3 | WKN: A2AALE) (collectively, the "**Wild Bunch Bond 2016**", and the holders of the Notes "**Noteholders**") which would have become due for repayment on 23 March 2019.

Following the Capital Decrease, the 2018 AGM resolved to increase the Share Capital against contributions in kind (*Sacheinlagen*) in the form of the Wild Bunch Bond 2016 by EUR 3,600,000 by issuing 3,600,000 New Shares (the "**Debt-Equity Swap I**"). Under the Debt-Equity Swap I, 3,600,000 New Shares were issued to Quirin Bank acting as settlement agent with the obligation to offer such New Shares to the Noteholders provided that each Noteholder, for each Note contributed to Issuer under the Debt-Equity Swap I, was granted the right to receive *inter alia* 20,000 New Shares or the proceeds from the sale by Quirin Bank of such New Shares.

During the period from 17 to 19 September 2018, the Noteholders, by means of voting without meeting (*Abstimmung ohne Versammlung*) pursuant to sec. 18 of the German Bond Act (*Schuldverschreibungsgesetz*, "**SchVG**"), voted in favour of the exchange of the Notes into New Shares pursuant to sec. 5(3) no. 5 SchVG, i.e., to implement the Debt-Equity Swap I as described above.

The completion (*Durchführung*) of the Debt-Equity Swap I was entered in the Commercial Register of the Issuer on 14 March 2019.

VI. Debt-Equity Swap II

At the level of the Issuer's subsidiary WBSA, numerous credit facilities with French banks (the "**French Banks**") were in place under which the French Banks had outstanding payment claims against WBSA and further companies of Wild Bunch Group amounting to, in the aggregate, EUR 48,955,226 as of 31 December 2017 (such payment claims of the French Banks, collectively, "**French Bank Claims**"). Furthermore, outstanding payment obligations of WBSA existed under various investment agreements with certain French film and media industry funding companies (so-called *sociétés de financement de l'industrie cinématographique et de l'audiovisuel*, hereinafter "**SOFICAs**"). Under such investment agreements, the SOFICAs had outstanding payment claims against WBSA amounting to, in the aggregate, EUR 13,738,134 (such payment claims the "**SOFICA Claims**"). The French Bank Claims and SOFICA Claims together amounted to EUR 62,693,360.00. Of such amount, EUR 26.1 million is to remain in the form of a shareholder loan pursuant to the RFA, while the remaining amount of EUR 36.6 million is to be converted into capital in the context of a debt-to-equity swap and reduce the financial liabilities of the Wild Bunch Group on the same scale.

Therefore, Voltaire acquired the French Bank Claims and SOFICA Claims from the French Banks and SOFICAs, respectively. Following such acquisition by Voltaire, the Issuer assumed, with discharging effect (*übernahm schuldbefreiend*) for WBSA and certain other French subsidiaries of the Issuer, a portion of the debt under the French Bank Claims and SOFICA Claims in the aggregate amount of EUR 36,597,360 (such portion the "**French Transferred Claims**"). As a result of such assumption, Voltaire became the creditor of the Issuer with regard to the French Transferred Claims. Following the Capital Decrease, the AGM 2018 resolved to increase the Issuer's Share Capital against contributions in kind (*Sacheinlagen*) in the form of the French Transferred Claims (the "**Debt-Equity Swap II**", collectively with the Debt-Equity Swap I, the "**Debt-Equity Swaps**" and, individually, a "**Debt-Equity Swap**"). Under the Debt-Equity Swap II, 18,298,680 New Shares were issued to Voltaire as the contributor.

The completion (*Durchführung*) of the Debt-Equity Swap II was entered in the Commercial Register of the Issuer on 12 April 2019. The Debt-Equity Swaps substantially reduced the interest burden of the Issuer and its French subsidiaries (in particular of WBSA) and, at the same time, strengthened the equity of Wild Bunch Group.

As consideration for the assumption with discharging effect of the French Transferred Claims by the Issuer, WBSA owes the aggregate amount of the French Transferred Claims to the Issuer as a loan.

As of the date of this Prospectus, the Issuer's shares include 21,898,680 New Shares resulted from the Debt-Equity Swap I and Debt-Equity Swap II, for which application has been made for the admission to trading on the Frankfurt Stock Exchange and which are subject to this Prospectus.

VII. Dilution resulting from the Debt-Equity-Swaps

On the basis of the audited consolidated financial statements, the book value of the issuer's balance sheet equity amounted to approximately EUR 67,677,000 as of 31 December 2018. This corresponds to a book value of EUR 33.11 per share considering the corresponding number of 2,044,075 shares after the capital reduction. The implementation of the Debt-Equity Swap I and the increase of the share capital to EUR 5,644,075 and a corresponding number of 5,644,075 shares, leads to a book value of EUR 11.99 per share. This results in a dilution of EUR 21.12 per share or 63.78 %. The implementation of the Debt-Equity Swap II and the increase of the share capital to EUR 23,942,755 and a corresponding number of 23,942,755 shares, leads to a book value of EUR 2.83 per share. This results in a dilution of EUR 9.16 per share or 76.43 % respectively EUR 30.28 per share or 91.46 %. All calculations made without consideration of corresponding consulting costs.

VIII. Voluntary Takeover Offer of Voltaire

On 15 February 2019, Voltaire published a voluntary takeover offer (*freiwilliges Übernahmeangebot*) pursuant to sec. 29(1) German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz,* "**WpÜG**") providing for an acceptance period (*Annahmefrist*) from 15 February 2019 until 15 March 2019. The takeover offer was conditional upon Voltaire's holding, upon expiry of the acceptance period, at least 30% of the voting rights of the Issuer which condition was fulfilled. The objective of Voltaire's voluntary takeover offer was to avoid having to submit a mandatory offer (*Pflichtangebot*) pursuant to sec. 35 WpÜG following the implementation of the Debt-Equity Swaps the implementation of which would have resulted in Voltaire holding more than 30% of the voting rights of the Issuer and, as a consequence, in the obligation to make such mandatory offer.

By the end of the further acceptance period on 3 April 2019 (*weitere Annahmefrist*), the takeover offer had been accepted for a total of 1,625,548 Wild Bunch shares. This corresponds to a share of approximately 28.80 %. Combined with the prior possession of 3,108,770 Wild Bunch shares, Voltaire held 4,734,318 Wild Bunch shares after the closing of the voluntary takeover offer. This corresponds to an equity share of Voltaire of approximately 83.88 % in Wild Bunch.

IX. Working Capital and Content Acquisition Facility

On 13 May 2019, Voltaire made available a credit facility to the Issuer and WBSA in the total amount of EUR 40,000,000 in order to finance the working capital and the acquisition of content ("**Working Capital and Content Acquisition Facility**"). Under the Working Capital and Content Acquisition Facility, the Issuer is entitled to a working capital term loan facility in an aggregate amount of up to EUR 5,000,000 and an acquisition term loan facility in an aggregate amount of up to EUR 5,000,000. WBSA is entitled to a working capital term loan facility in an aggregate amount of up to EUR 22,000,000 and an acquisition term loan facility in an aggregate amount of up to EUR 8,000,000. The Issuer and WBSA shall apply all amounts borrowed under the respective working capital term loan facility towards the repayment of the outstanding amounts under the Bridge Facilities Agreement and towards the funding of general corporate purposes. All amounts borrowed under the respective acquisition term loan facility shall be applied towards the funding of the creation or acquisition of content. The rate of interest under Working Capital and Content Acquisition Facility is 9.5 per cent. *per annum*. Interest on any loan is payable on the date falling on the last day of each anniversary of a loan. Each borrower can request on an interest payment date that an amount equal to up to 50% of the accrued interest be capitalised. The Working Capital and Content Acquisition Facility shall be repaid in full on the date falling 49 months after the date of the Working Capital and Content Acquisition Facility. A commitment fee at a rate of 0.5 % *per annum* on the available undrawn commitment shall be paid on the last day of each successive period of three monts by each borrower under its respective facility.

In connection with the Working Capital and Content Acquisition Facility Bank Leumi, the Issuer, WBSA, Tennor (formerly named Sapinda Holding B.V.) and Voltaire entered into a subordination agreement, which *inter alia* (i) subordinates the liabilities of the Issuer and WBSA towards Voltaire to the liabilities towards Bank Leumi and (ii) terminates a former subordination agreement entered, *inter alia*, by Tennor and Bank Leumi in relation to the Bridge Facilities Agreement.

Subject to certain conditions, the Issuer and WBSA may voluntarily prepay its utilizations and/or permanently cancel all or part of the available commitments under the RCF. In addition to voluntary prepayments, the Working Capital and Content Acquisition Facility requires mandatory repayment of the loans made available in full and provides for he cancellation of all committments, if any person or a group of persons, other than Voltaire or its Affiliates, gains direct or indirect control of the Issuer.

To the extent permitted under, *inter alia*, the RCF and the subordination agreement with Bank Leumi, WBSA shall secure the Working Capital and Content Acquisition Facility by certain of its assets, including: (i) pledge over shares held in subsidiriea as instructed by Voltaire; (ii) pledge agreements in relation to its receivables, rights and claims under trade contracts, license agreements, sale and purchase agreements, intercompany loans and insurance contracts; (iii) security over rights to certain films and television productions; (iv) security over all acquired rights to distribute films and television productions and over new developed films and television productions; and (v) pledge over all bank accounts.

The Working Capital and Content Acquisition Facility contains a number of negative covenants that, among others and subject to certain exceptions, may restrict the ability of the Group to (i) incur additional indebtedness; (ii) make investments, loans, guarantees and acquisitions; (iii) sell or dispose assets, including capital stock; (iv) consolidate, enter into a joint venture or merge; (v) substantially change the business it conducts; (vi) incur liens or grant security; and (vi) enter into treasury transactions.

Furthermore, the Working Capital and Content Acquisition Facility requires compliance with certain affirmative covenants for the Group, subject to certain exceptions and qualifications, among others including with relation to (i) required authorizations and consents, (ii) compliance with laws, (iii) pari passu ranking of unsecured and unsubordinated debt, (iv) preservation of assets, (v) payment of taxes, (vi) preservation of intellectual property, and (vii) granting of access.

In addition, the Working Capital and Content Acquisition Facility requires the Issuer to provide certain information on the financial condition of the Group and meet monthly, quarterly and yearly certain financial covenants.

The Working Capital and Content Acquisition Facility contains certain events of default, the occurrence of which would allow Voltaire, subject to the subordination deed with Bank Leumi, to cancel the commitments, declare that all or part of the loans together with accrued interest and all other amounts accrued or outstanding under the Working Capital and Content Acquisition Facility be immediately due and payable or declare that all or part of the loans be payable on demand.

These events of default, subject to certain agreed grace periods, thresholds, materiality qualifiers and other exceptions, include without limitation, (i) failure to make payment of amounts due and payable in connection with the Working Capital and Content Acquisition Facility or related finance documents; (ii) failure to comply with the financial covenants or other obligations; (iii) misrepresentation; (iv) cross default with respect to other financial indebtedness of any member of the Group, subject to a threshold of EUR 150,000; (v) certain insolvency events or proceedings in relation to any member of the Group, (vi) certain creditors' processes, including expropriations, attachments or sequestration of assets of any member of the Group or similar events subject to a threshold of EUR 150,000 individually or EUR 400,000 in aggregate; (vii) cessation of business of the Issuer or WBSA; (viii) material adverse change; and (ix) qualification of the audit report for the annual audited financial statements of the Issuer.The Working Capital and Content Acquisition Loan is governed by German law.

X. Shareholder Loan for French Bank Claims

As set out under "*Debt-Equity Swap II*" above, the French Bank Claims and SOFICA Claims together amounted to EUR 62,693,360.00. Of such amount, EUR 26.1 million shall remain in the form of a shareholder loan pursuant to the RFA, while the remaining amount of EUR 36.6 million has been converted into equity in by the Debt-Equity Swap II.

On 13 May 2019, Voltaire as lender, WBSA as borrower and the Issuer as parent entered into a EUR 26,455,981.81 loan agreement transforming by way of novation the French Bank Claims and SOFICA Claims into two loan ("**Shareholder Loan for French Bank Claims**"), while the interest in the amont of 9.5% p.a. on the French Bank Claims and SOFICA Claims between the acquisition of these claims by Voltaire and the signing of the loan agreement in the total amount of EUR 359,981.81 where added to the principal loan amount. The conditions of the Shareholder Loan for French Bank Claims correspond to the conditions under the Working Capital and Content Acquisition Facility.

9. SHAREHOLDER INFORMATION

I. Current Shareholders

The Issuer is a publicly traded company. The following table sets forth to the best knowledge of the Issuer direct and indirect shareholders of the Issuer, which, as of the date of this Prospectus, directly or indirectly, have a notifiable interest in the Issuer's capital and voting rights in the meaning of Sections 33 *et seqq.* of the German Securities Trading Act (*Wertpapierhandelgesetz*, "**WpHG**") immediately prior to the admission of the New Shares, together with the shareholdings of the public free float.

Registrant	Direct Shareholder	Residence of Shareholder	Number of voting rights of Registrant		
			Directly	Indirectly	Total
Lars Windhorst[1] Sébastien Moerman[2] Mike Beattie[3]	Voltaire Finance B.V.[4]	Schiphol, Netherlands	-	23,032,998	23,032,998 / 96.20 %
Vincent Grimond	Vincent Grimond	Paris, France	175,588	-	175,588 / 0.73 %
Vincent Maraval	Vincent Maraval	Paris, France	64,953	-	64,953 / 0.27 %
Brahim Chioua	Brahim Chioua	Paris, France	138,238	-	138,238 / 0.58 %
Alain de la Mata	Edgefilm Ltd.	London, United Kingdom	-	69,788	69,788 / 0.29 %
Mahmood Ebraheem Al Mahmood	ADS Securities LLC	Abu Dhabi, United Arab Emirates	-	175,516	175,516 / 0.73 %
Free flaot	-	-	285,674	-	285,674 / 1.19 %
Total					**23,942,755 / 100.00 %**

[1] Full chain: Lars Windhorst; Serene Holdings Ltd.; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.
[2] Full chain: Sébastien Moerman; Noble Trust Company AG; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.
[3] Full chain: Mike Beattie; Zuglex Trustee AG; Voltaire Investment B.V.; Voltaire Finance B.V.
[4] Voltaire Finance B.V. was a wholly owned subsidiary of Sapinda Holding B.V. (renamed to Tennor Holding B.V.), until the shares of Voltaire Investment B.V., the direct holding company of Voltaire Finance B.V., were transferred in their entirety to Zuglex Trustee AG.

The voting rights of these principal shareholders of the Issuer do not differ from the voting rights of the other shareholders.

II. Controlling Interest

The majority shareholder Voltaire Finance B.V., currently directly controls 96.20 % of the voting rights in the Issuer and is, therefore, considered to hold a controlling interest in the Issuer pursuant to the WpÜG.

10. DIVIDEND POLICY; RESULTS AND DIVIDENDS PER SHARE; USE OF PROFITS

The New Shares carry full dividend rights for the financial year beginning on 1 January 2019 and for all subsequent financial years of the Issuer.

I. General Rules for Appropriation of Profit and Dividend Payments

The dividend for the previous financial year is proposed jointly by the Management Board and the Supervisory Board of the Issuer, and its payment is resolved by the shareholders at the annual General Shareholders' Meeting in the subsequent financial year. Dividends resolved by the annual General Shareholders' Meeting are payable on the business day after the annual General Shareholders' Meeting. The claim for payment of dividends will lapse after three years. If the dividend claim lapses the claim to payment of the dividend expires and the dividend remains with the Issuer.

Details of the dividends are published in the German Federal Gazette (*Bundesanzeiger*). Dividends may be distributed only from the net retained profit (*Bilanzgewinn*) reported in its statutory annual financial statements. These statutory annual financial statements are prepared in accordance with HGB. To determine the net retained profit available for the distribution of the dividend, the net income or loss for the period is adjusted for retained profits/accumulated losses carried forward from the previous year and for withdrawals from or appropriations to the reserves. Certain reserves must be established by law and must be deducted when determining the distributable net retained profits.

In the case of German stock corporations such as the Issuer which are listed on a stock exchange, the distribution of dividends is governed by Section 174 (1) of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**") in conjunction with Section 158 (1) No. 5 AktG. Accordingly, only net retained profits can be distributed as a dividend to shareholders. Net retained profits are derived from the net income for the year after adjustments for profit/loss carried forward from the previous year, as well as withdrawals from or appropriations to the reserves.

Dividends are generally paid net of 25% withholding tax and the 5.5% solidarity surcharge payable on the withholding tax (see also sections "*18. Taxation in Germany II. Taxation of Shareholders*").

II. Results and Dividends per Share

The Issuer currently intends to retain all available funds and any future earnings to support operations and to finance the growth and development of its business and currently does not intend to pay dividends in the forseeable future. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, its results of operations, financial condition, contractual restrictions and capital requirements. Our future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

No distributions of profits or reserves were made to the Issuer's shareholders in any of the years ended 31 December 2017 and 31 December 2018 (up to the date of this Prospectus).

11. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables present the capitalization, net financial debt and contingent liabilities of the Wild Bunch Group as of 31 March 2019, each derived from the Issuer's audited consolidated financial statements for the financial year ended 31 December 2018 and the Issuer's management reporting and accounting records. The capitalization of the Issuer will change subsequently to the date of this Prospectus.

Investors should read these tables in conjunction with "Selected Financial Information" and the management reports 2017 and 2018, which are included in this Prospectus, beginning on page L-1.

I. Capitalization

The table below presents the capitalization of the Wild Bunch Group as of 31 March 2019.

In TEUR	**As of 31 March 2019**
	(unaudited)
Total Current debt[1]	**150,116**
of which guaranteed[2]	50,192
of which secured[3]	52,640
of which unguaranteed / unsecured	97,476
Total Non-Current Debt[4]	**26,094**
of which guaranteed[2]	25,245
of which secured[3]	25,245
of which unguaranteed / unsecured	849
Shareholders' equity[5]:	**37,810**
Share capital	5,644
Legal reserves	0
Other reserves	32,166
Total	**214,019**

1 Sum of Current debt which is secured (including Current debt guaranteed) and Current debt unguaranteed/unsecured.
2 Joint liability of Wild Bunch Group companies.
3 Consists of film rights and material, trade receivables, shares in associated companies and liquid funds which are secured, including guarantees.
4 Sum of Non-current debt secured (including Non-current debt guaranteed) and Non-current debt unguaranteed/unsecured.
5 Corresponds to the sum of the three items Share capital, Legal reserves and Other reserves.

II. Indebtedness

The table below presents the net financial debt of the Wild Bunch Group as of 31 March 2019

In TEUR	**As of 31 March 2019**
	(unaudited)
A. Cash	16,300
B. Cash equivalent	0
C. Trading securities	0
D. Liquidity (A) + (B) + (C)*	**16,300**
E. Current Financial Receivables	**284**
F. Current Bank debt	2,448
G. Current portion of non-current debt	347
H. Other current financial debt	90,939
I. Current Financial Debt (F) + (G) + (H)	**93,733**
J. Net Current Financial Indebtedness (I) – (E) – (D)	**77,149**

K. Non-current Bank loans	25,406
L. Bonds Issued	0
M. Other non-current loans	0
N. Non-current Financial Indebtedness (K) + (L) + (M)	**25,406**
O. Net Financial Indebtedness (J) + (N)	**102,555**

* Corresponds to the statement of financial position item "cash and cash equivalents".

III. Contingent and Indirect Liabilities

As of 31 March 2019, there were contingent liabilities of EUR 24,957,000 and no indirect liabilities of the Wild Bunch Group. Contingent liabilities include future payment obligations of EUR 5,605,000 relating to existing rental and lease contracts of the Wild Bunch Group as well as EUR 19,351,000 relating to the purchase of film rights.

IV. Statement of Working Capital

The Issuer is of the opinion that the Wild Bunch Group is in a position to meet the payment obligations that become due within at least the next twelve months from the date of this Prospectus.

V. No Significant Change in the Financial or Trading Position

During the period from 31 December 2018 up to the date of this Prospectus there were no significant changes in the financial or trading position of the Issuer or the Wild Bunch Group save for the restructuring measures set out in the section "*Restructuring of the Wild Bunch Group*".

12. SELECTED FINANCIAL INFORMATION

*The financial information summarized below for the financial years 2017 and 2018 is taken or derived from the Issuer's consolidated financial statements for the years ended 31 December 2017 and 31 December 2018 (the "**IFRS Financial Statements**") and the Issuer's management reporting and accounting records. The IFRS Financial Statements have been prepared in accordance with IFRS. The IFRS Financial Statements were audited by Mazars GmbH & Co. KG ("**Mazars**"). Mazars issued an unqualified audit opinion (uneingeschränkter Bestätigungsvermerk) with respect to each of the IFRS Financial Statements.*

Where financial data in the following tables is labelled "audited", it means that it has been taken from the applicable audited consolidated financial statements mentioned above.

The following selected financial information should be read together with the "Presentation of Currency and Financial Information", the management reports 2017 and 2018, which are included in this Prospectus, beginning on page L-1. and additional financial information contained elsewhere in this Prospectus, if any. The Issuer's historical results are not necessarily indicative of the results that should be expected in the future.

Some of the measures used in this Prospectus are not measurements of financial performance under IFRS, but have been prepared on the basis of IFRS amounts, and should not be considered as an alternative to cash flow from operating activities as a measure of liquidity or as an alternative to recurring profit from operations, income from operations or net income as indicators of our operating performance or any other measures of performance derived in accordance with IFRS.

I. Information from the Income Statement

Position	**2018**	**2017**
	(audited, in EUR thousand)	
Revenue	81,282	101,420
Other film related income	5,419	7,722
Total Income	**86,702**	**109,141**
Cost of Sales	-73,757	-91,157
Gross Profit	**12,945**	**17,985**
Other operating income	3,248	9,404
Administration costs	-22,428	-21,663
Other operating expenses	-269	-4,991
Operating Result	**-6,503**	**734**
Finance income	1,038	897
Finance Costs	-7,652	-6,809
Result of an associate or joint venture	33	-258
Finance result	**-6,581**	**-6,170**
Profit/(loss) before tax	**-13,085**	**-5,436**
Income tax	-182	-1,241
Net income	**-13,267**	**-6,677**
Minority interest in profit or loss	-262	-440
Profit/(loss) attributable to shareholders	**-13,005**	**-6,237**
Weighted average number of shares (no.)[1,2]	2,044,075	2,044,075
Potential number of diluted shares (no.)[2]	2,044,075	2,044,075
Total weighted average number of shares (no.)[1,2]	2,044,075	2,044,075
Earnings per share[2]		
Basic earnings per share (€ per share)	-6.36	-3.05
Diluted earning per share (€ per share)	-6.36	-3.05

[1)] Weighted average number of shares incorporates the decrease of the registered share capital of the Issuer from EUR 81,763,015 to EUR 81,763,000 and, subsequently, at a ratio of 40 to 1, from EUR 81,763,000 to EUR 2,044,075 entered in the commercial register (*Handelsregister*) of the Issuer on 26 November 2018.

[2)] The decrease of the registered share capital was conducted in the form of a simplified capital decrease which did not result in a reduction of the resources of the Issuer. Therefore, weighted average number of shares, potential number of diluted shares, total weighted average number shares and subsequently basic earnings per share as well as diluted earnings per share for the fiscal year 2017 were adjusted according to IAS 33.64.

II. Information from the Statement of Financial Position

Position	As of 31 December 2018	2017
	(audited, in EUR thousand)	
Assets		
Goodwill	124,454	124,454
Intangible assets	63,829	81,689
Tangible assets	1,143	1,156
Other financial assets	1,403	2,511
Investments accounted for using the equity method	1,550	1,516
Deferred tax assets.	1,781	1,736
Other non-current accounts	548	1,290
Non-current assets	**194,708**	**214,352**
Inventories and work in progress.	1,710	1,299
Accounts receivables and related accounts	34,764	36,020
Income tax receivables	382	350
Other financial assets[1]	12,295	14,781
Other non-financial assets[1]	9,236	9,051
Cash and cash equivalent	18,583	6,593
Current assets	**76,970**	**68,094**
Total assets	**271,677**	**282,446**
Liabilities and Equity		
Shareholders equity - Group	67,945	81,151
Minority interest	-268	24
Shareholders equity	**67,677**	**81,175**
Retirement and related commitments	762	645
Non-current provision	25	25
Deferred tax liability	2,693	2,881
Non-current debt	24,418	48,459
Other non-current liabilities	913	1,009
Non-current liabilities	**28,812**	**53,019**
Current provision	2,645	2,915
Current debt	92,345	44,123
Suppliers - accounts payables	42,735	52,077
Contractual liabilities[2]	10,418	-
Income tax payables	535	57
Other financial liabilities[3]	19,738	24,631
Other non-financial liabilities[3]	6,773	24,449
Current liabilities	**175,189**	**148,252**
Total equity and liabilities	**271,677**	**282,446**

1) In the fiscal year 2018, Other assets were split into Other financials assets and Other non-financial assets in the balance sheet and not in the notes to the consolidated financial statements. The prior year disclosure in the balance sheet was adjusted accordingly.

2) Due to the first-time adoption of IFRS 15 Revenue from contracts with customers the Issuer recognizes contractual liabilities in the fiscal year 2018. The Issuer did not retroactively apply IFRS 15. Hence this balance sheet position did not exist in the fiscal year 2017.

3) In the fiscal year 2018, Other liabilities were split into Other financials liabilities and Other non-financial liabilities in the balance sheet and not in the notes to the consolidated financial statements. The prior year disclosure in the balance sheet was adjusted accordingly.

III. Information from the Cash Flow Statement

Position	2018	2017
	(audited, in EUR thousand)	
Consolidated net result	**-13,267**	**-6,677**
Depreciation, amortization, impairments and write-ups	34,371	42,979
Result form investments accounted for using the equity method	-33	258
Changes in provisions	-153	-1,184
Changes in deferred taxes	-233	-223
Other non-cash income and expenses	-198	270
Changes in trade receivables	1,546	4,935
Changes in trade payables	-9,337	-15,434
Changes in other assets and liabilities	-7,188	1,495
Cash flow from operating activities	**5,509**	**26,418**
Proceeds from disposals of intangible assets, property plant and equipment	2,555	6,328
Proceeds from disposals of consolidated subsidiaries and business units, less cash and cash equivalents given up	0	1
Proceeds from disposals of non-current financial assets (incl. repayment of the vendor loan)	0	387
Purchases of intangible assets	-18,879	-44,510
Purchases of property, plant and equipment	-180	-57
Purchases of investments in non-current financial assets	-72	-1,600
Cash flow from investing activities	**-16,575**	**-39,450**
Proceeds from other financial liabilities	22,426	36,172
Repayments of other financial liabilities	-1,045	-23,682
Cash flow from financing activities	**21,381**	**12,490**
Cash flow-related changes in cash and cash equivalents	**10,315**	**-542**
Changes in cash and cash equivalents due to exchange rates	0	-35
Cash and cash equivalents at the beginning of period	6,593	7,170
Cash and cash equivalents at end of period	**16,907**	**6,593**
Cash flows contained in cash flow from operating activities		
Income taxes paid	-651	-1,369
Income taxes received	50	113
Interest paid	-2,532	-5,170
Interest received	21	12

IV. Significant Changes to the Issuer's Financial Condition and Operating Results

On 15 June 2018, the Issuer entered into a restructuring framework agreement (i.e. the RFA). The financial restructuring measures comprise (a) a decrease in the Issuer's registered share capital (*Grundkapital*) at a ratio of 40 to 1, (b) an increase in the Issuer's share capital against contributions in kind in the form of the bond issued by Issuer in 2016 with an aggregate nominal amount of EUR 18,000,000 (i.e. the Debt-Equity Swap I), and (c) an additional increase in the Issuer's share capital against contributions in kind in the form of certain payment claims of French banks and film funding companies against Wild Bunch S.A. and other French companies of the Wild Bunch Group which payment claims were acquired by Voltaire and, subsequently, with a value of EUR 36,597,360 contributed by Voltaire to the Issuer (i.e. the Debt-Equity Swap II). Originally, the Issuer intented to complete these restructuring measures by the end of 2018.

Under the Debt-Equity Swap I, 3,600,000 new shares were issued to the Issuer's former bondholders. The completion (*Durchführung*) of the Debt-Equity Swap I was entered in the Commercial Register of the Issuer on 14 March 2019. Under the Debt-Equity Swap II, 18,298,680 new shares were issued to Voltaire. The completion (*Durchführung*) of the Debt-Equity Swap II was entered in the Commercial Register of the Issuer on 12 April 2019. As of the date of this

Prospectus, the Issuer's shares include 21,898,680 new shares resulted from the debt-equity swaps for which application has been made for the admission to trading on the Frankfurt Stock Exchange.

As a result of the delay of these restructuring measures, neither the financial liabilities nor the interest expenses of the Wild Bunch Group have already been reduced in the reporting year 2018. Therefore, it was only possible to invest EUR 18,879,000 in new films in 2018 instead of the planned EUR 25,000,000. The continuing weakness of investment activity caused a decline in sales in the fiscal year due to a lower number of attractive first-run revenues. The Wild Bunch Group was also unable to escape the restraint in the market for library titles. Further, restructuring costs were higher than expected. These factors had an overall negative impact on our financial position, financial performance, cash flows or trading position, in particular:

- *Revenue:* Revenue decreased by 19.9% from EUR 101,420,000 in 2017 to EUR 81,282,000 in 2018, primarily due to lower investments in film rights. This was below the figures forecast by management, who were expecting a significant decline in comparison with the previous year (EUR 101,420,000). The theatrical field in particular did not meet expectations. In the International sales, distribution and film production segment, revenues of EUR 76,370,000 (previous year: EUR 97,082,000) were generated, while the Other segment generated revenues of EUR 4,912,000 (previous year: EUR 4,338,000).
- *Operating Result*: Caused by additional higher restructuring costs, the EBIT forecast was not met. The Earnings before interest and taxes amounted to EUR -6,503,000, significantly below the previous year figure of EUR 734,000.
- *Cash Flow*: Influenced by the Issuer's result for the financial year 2018, cashflow from operating activities decreased from EUR 26,418,000 in 2017 to EUR 5,509,000 in 2018. Due to lower investments in intangible assets in 2018 of EUR 18,879,000 the cashflow from investing activities declined from EUR -39,450,000 in 2017 to EUR -16,575,000 in 2018. The increased cashflow from financing activities of EUR 21,381,000 in 2018 from EUR 12,490,000 in 2017 resulted solely from the closing of the bridge facilities agreement with Tennor (formerly named Sapinda Holding B.V.).
- *Equity*: Total equity changed from EUR 81,175,000 as of 31 December 2017 to EUR 67,677,000 as of 31 December 2018. This change primarily resulted from our result for the period, which amounted to a loss of EUR 13,267,000 in 2018.

On 15 February 2019, Voltaire published a voluntary takeover offer (*freiwilliges Übernahmeangebot*). The objective of Voltaire's voluntary takeover offer was to avoid having to submit a mandatory offer (*Pflichtangebot*) pursuant to sec. 35 WpÜG following the implementation of the Debt-Equity Swaps the implementation of which would have resulted in Voltaire holding more than 30% of the voting rights of the Issuer and, as a consequence, in the obligation to make such mandatory offer.

As of the date of this Prospectus, the financial restructuring of the Wild Bunch Group covered the following measures in relation to its debt financing: Already in 2017, the Issuer entered into a EUR 30,000,000 revolving credit facility agreement with Bank Leumi (UK) plc as lender. In relation to such agreement, a wholly owned subsidiary of Tennor commited itself in a deed of agreement dated 14 July 2018 to purchase for cash all claims outstanding for the amount outstanding from Bank Leumi (UK) plc by 19 July 2019. In the course of the recent restructuring of the Wild Bunch Group, the Issuer's majority shareholder, Voltaire entered into a EUR 26,455,981.81 shareholder loan agreement which summarized, restructured and replaced existing French debt of certain Wild Bunch Group companies from past film projects. On 13 May 2019, Voltaire as creditor entered into a further EUR 40,000,000 working capital and acquisition credit facility agreement with the Issuer as borrower, which replaced an existing EUR 27,000,000 bridge loan and provides further capital to strengthen the working capital base and acquisition abilities of the Wild Bunch Group companies.

Except as described above, there have been no significant changes to our financial position, financial performance, cash flows or trading position between 31 December 2018 and the date of this Prospectus.

V. Independent Auditor's Report 2017

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT

OPINIONS

We have audited the consolidated financial statements of Wild Bunch AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated income statement and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2017 to 31 December 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined group management report and management report of Wild Bunch AG for the financial year from 1 January 2017 to 31 December 2017. In accordance with the German legal requirements, we have not audited the content of the corporate governance declaration as stated in the combined group management report and management report of the parent company.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB (*Handelsgesetzbuch: German Commercial Code*) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the group as at 31 December 2017, and of its financial performance for the financial year from 1 January 2017 to 31 December 2017, and
- the accompanying combined group management report and management report as a whole provides an appropriate view of the group's position. In all material respects, this combined group management report and management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined group management report and management report does not cover the content of the corporate governance declaration appended.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined group management report and management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined group management report and management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (*Institute of Public Auditors in Germany*) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the combined group management report and management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined group management report and management report.

Material Uncertainty in Connection with the Company Continuing as a Going Concern

We refer to the disclosures in Section 1.4. "Discretion and Uncertainties in Estimates – Acceptance of Company Continuation" of the notes to the consolidated financial statements as well as in Section 4.1.3 "Financial, Accounting and Tax Risks" of the combined group management report and management report. Here it is stated that Wild Bunch AG was exposed to the following liquidity risks jeopardising the Company's going concern at the time of preparing the financial statements.

In April 2017 the Wild Bunch Group concluded a framework loan agreement for a maximum amount of € 30 million. In case of a breach of the financial covenants agreed upon, the bank may call in the loan. At the time of preparing the financial statements the Management Board of Wild Bunch AG had discussions with investors and creditors about the key points of the financial restructuring of the entire Wild Bunch Group. A successful implementation of this restructuring that would result in relieving the over-indebtedness of the entities of the Group and would inject new financial funds depends on implementing the specific conditions as presented in the combined group management report and management report.

Should the loan be called in by the bank or should the restructuring planned not be successfully implemented, Wild Bunch AG would be forced to arrange for other financing elsewhere in the short term. Otherwise Wild Bunch's going concern would be in jeopardy.

This points to the existence of a material uncertainty that sheds a significant doubt on the Company's ability to continue as a going concern and presents a going concern risk in the meaning of § 322 (2) sentence 3 HGB.

In view of these facts and circumstances, our audit opinion is not qualified.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

ASSESSMENT OF THE GROUP'S LIQUIDITY PLANNING

RELATED INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT

The disclosures of the Group's planning are contained in Section 1.4. "Discretion and Uncertainties in Estimates – Acceptance of Company Continuation" of the notes to the consolidated financial statements as well as in Section 3.3. "Expected Development", in Section 3.4. "Overall Statement by the Management Board by the Group's Development" and in Section 4.1.3 "Financial, Accounting and Tax Risks" of the combined group management report and management report. Keeping these considerations in mind, Assessment of the Group's Liquidity Planning were of special significance for our audit.

FACTS AND RISKS FOR THE AUDIT

The liquidity planning of the Wild Bunch Group is based on the assumption that the financial restructuring being implemented will successfully have been concluded and that sufficient financial funds can be made available to the entities of the Group so that the Group can meet its financial obligations and make the required investments in acquiring film distribution rights and in developing new marketing strategies. A risk exists that these assumptions, on which the planning was based, will not lead to achieving the goals set. In such a case the further development of the Group would be impaired and the existence of the Group as a going concern would be in jeopardy.

AUDIT APPROACH AND FINDINGS

As part of our audit, we traced the liquidity planning prepared by the Group and assessed the plausibility of the underlying assumptions. We examined the suitability of the considerations for the financial restructuring measures. Furthermore, we acknowledged the external expert opinion on restructuring that was prepared as a part of the restructuring process.

After having intensively discussed the planning and the underlying assumptions with management, we have come to the conclusion that the assumptions and goals planned are plausible. Furthermore, we have examined the possible event of the risks occurring as presented in Section "Material Uncertainty in Connection with Group Continuing as a Going Concern". With respect to the financial restructuring planned, we interviewed the Management Board and gained the knowledge that no indications existed that spoke against a successful implementation of the restructuring measures to be introduced during the time period when the audit was being performed. Also after 31 December 2017 up to the date of the auditor's report, we convinced ourselves that the financing bank (through a waiver letter) intended to maintain its commitment to the overall restructuring concept and not to call in the loan in the case of a breach of the financial covenants.

After having considered the financial restructuring measures to be introduced by Wild Bunch, we are of the opinion that the liquidity planning on the whole has elements of risk but is plausible.

RECOVERABILITY OF GOODWILL

RELATED INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT

The Group's disclosures concerning goodwill are contained in Section 1.4. "Discretion and Uncertainties in Estimates", in Section 1.5 "Accounting Policies – Intangible Assets or – Impairment of Non-financial Assets" and in Section 3.1 "Goodwill" of the notes to the consolidated financial statements.

FACTS AND RISKS FOR THE AUDIT

The consolidated financial statements of Wild Bunch AG included goodwill in the amount of € 124,454 thousand, which was approximately 44 % of the balance sheet total and which exceeded equity by € 43,279 thousand. Goodwill is tested annually for impairment in order to measure a potential need for write-downs. The result of this measurement largely depends on how the legal representatives estimate prospective cash inflows and derive the discount rates used. Owing to the complexity of the underlying measurements, as well as the discretionary judgement exercised, Recoverability of Goodwill were of special significance for our audit.

AUDIT APPROACH AND FINDINGS

As part of our audit, we analysed the process implemented by the legal representatives of Wild Bunch AG as well as the accounting and measurement requirements for determining the recoverable amounts of the cash-generating units to which goodwill was allocated for potential risks of error in order to gain an understanding of these steps processed and the internal controls implemented. We acknowledged management's approach for capitalising interest rates as well as for generating future profits as specified in IAS 36.

We analysed the Group's planning underlying the impairment tests performed. We examined the signi ficant assumptions on growth, the course of business planned and future profitability, and we assessed their plausibility and compared it with other firms in the industry. We discussed the planning with the legal representatives, with the experts, who wrote the restructuring expert opinion, and with other external consultants of Wild Bunch AG. On this basis we assessed their suitability.

The appropriateness of other significant measurement assumptions, such as the discount rates, have been evaluated by an internal valuation specialist who based his analysis on market indications. We analysed the parameters used in determining the discount rates with regard to their being properly derived and calculated in accordance with the requirements of IAS 36.

We estimated impairment risks arising through changes in significant measurement assumptions by conducting sensitivity analyses. Moreover, we retraced the mathematical accuracy of the measurement models in compliance with the requirements of IAS 36.

We are of the opinion that the impairment tests performed by the legal representatives of the parent company as well as the measurement parameters applied and the assumptions made were, as a whole, suitable for assessing whether goodwill was impaired.

RECOVERABILITY OF FILM DISTRIBUTION RIGHTS

RELATED INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT

The Group's disclosures concerning film distribution rights as an element of intangible assets are included in Section 1.4 "Discretion and Uncertainties in Estimates", in Section 1.5 "Accounting Policies – Intangible Assets", and in Section 3.2 "Intangible Assets" of the notes to the consolidated financial statements.

FACTS AND RISKS FOR THE AUDIT

In the item intangible assets film distribution rights totalling € 69,404 thousand, which is approximately 25 % of the balance sheet total, were disclosed. Film distribution rights form the basis of the business of the Wild Bunch Group. The acquisition costs of film distribution rights are amortised by applying a net revenue-based method. Additionally, film distribution rights annually undergo impairment testing as required by IAS 36. For such testing, the budget calculations for all film rights with respect to the market acceptance expected are regularly updated, and the recoverable amount from film rights (value in use) is determined by using the discounted cash flow method.

The results of these measurements are to a great degree dependent on how the legal representatives estimate future cash inflows from such analyses as well as on the discount rates applied. Such assessments therefore contain material uncertainties. Keeping these considerations in mind, Recoverability of Film Distribution Rights were of special significance for our audit.

AUDIT APPROACH AND FINDINGS

During our audit we have, amongst others, traced the methodological procedures for performing impairment tests and assessed whether the weighted average of capital costs complied with the requirements given in IAS 36.

For this purpose, we convinced ourselves that the underlying assessments of future net revenues from exploiting film rights were properly determined. For this we performed sampling for matching the remu neration contractually agreed upon for such exploitation with net revenues budgeted, and we acknowledged the suitability of the assumptions made for future revenues from other opportunities for exploiting such film distribution rights. Since the assumptions on future revenues were made by using discretionary judgment, we intensively discussed these issues with the legal representatives.

In addition, we evaluated the parameters used for applying the discount rates and traced the calculation scheme.

We are of the opinion that the impairment tests performed by the legal representatives of the parent company as well as the measurement parameters applied and the assumptions made were, as a whole, suitable for assessing whether film distribution rights were impaired.

RECOVERABILITY OF DEFERRED TAX ASSETS

RELATED INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT

The Group's disclosures on deferred tax assets are in Section 1.5. "Accounting Policies – Deferred Income Taxes and Liabilities" and in Section 2.8. "Income Taxes" of the notes to the consolidated financial statements

FACTS AND RISKS FOR THE AUDIT

In the consolidated financial statements of Wild Bunch AG deferred tax assets amounting to € 10,322 thousand were recognised and disclosed in the amount of € 1,736 thousand in the consolidated financial statements after having been netted them with deferred tax liabilities totalling € 8,586 thousand.

Deferred tax assets comprised € 6,109 thousand from capitalised tax losses carried forward from individual entities of the Group. The measurement of such tax losses carryforward are, as a rule, based on a three-year planning horizon for each entity or for an integrated group of entities for tax purposes.

The result of taxes capitalised depends to a high degree on the allocation of deferred taxes to the individual entities of the Group or on the integrated group of entities for tax purposes and the assumptions made when tax planning is being performed. Keeping these considerations in mind, Recoverability of Deferred Tax Assets were of special significance for our audit.

AUDIT APPROACH AND FINDINGS

During our audit we traced, amongst others, the methodological procedures for determining de ferred assets in how differences in measurement may have occurred and in how tax losses carryforward were calculated. We also assessed the determination and measurement of deferred taxes for compliance with the requirements of IAS 12. In addition, we convinced ourselves that deferred taxes determined for each entity were completely transferred to the consolidation data.

We traced the tax planning for each Group entity or for the integrated group of entities for tax purposes, which was derived from the corporate planning of the Wild Bunch Group, and assessed if it complied with the underlying tax regulations. Furthermore, we acknowledged the possibilities of utilising existing tax losses carryforward for a forecast period, which is principally a period of three years, by considering the underlying tax planning and the tax results achieved in the past.

The results of our audit procedures led to no objections with regard to the recoverability of deferred tax assets.

REVENUE RECOGNITION AND DEFERRED INCOME

RELATED INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT

For the accounting policies and measurement methods applied in recognising revenues, we refer to the disclosures in the consolidated notes to the financial statements in Section 1.5. "Accounting Policies – Revenue Recognition/Prepayments Received". For quantitative disclosures on revenues, we refer to the disclosures in the consolidated notes to the financial statements in Section 2.1.

"Revenues" and in the combined group management Report and management report in Section 2.3 "Business Performance".

FACTS AND RISKS FOR THE AUDIT

In the consolidated financial statements of Wild Bunch AG revenues totalling € 101,420 thousand were recognised. The revenues were primarily generated by exploiting film rights in the areas of theatrical distribution, of international sales as well as of direct electronic distribution and home entertainment.

Owing to the large number of different contractual agreements for various services of the Wild Bunch Group, we judge the issue of revenue recognition as being complex. Keeping these considerations in mind, Revenue Recognition and Deferred Income were of special significance for our audit.

AUDIT APPROACH AND FINDINGS

During our audit we analysed the process implemented by the legal representatives of Wild Bunch AG as well as the accounting policies and measurement methods applied in recognising revenue for possible risks, and we gained an understanding of the procedural steps of the process and the internal controls implemented. We acknowledged the procedures undertaken by the Group for deferring income on the basis of the criteria defined in IAS 18.

In addition, we analysed, amongst others, the material revenues generated in the 2017 financial year in order to ascertain if a correlation existed between the related trade receivables and incoming payments. Moreover, we traced revenues recognised on the basis of contractual agreements by sampling in connection with the revenue recognition requirements of IAS 18. We audited the revenues generated in the 2017 financial year with regard to their being deferred by taking samples of revenue transactions through tests of details just before and just after the reporting date. Also by means of sampling, we obtained balance confirmations from customers.

The results of our audit procedures led to no objections with regard to revenue recognition and to deferred income.

Other Information

The executive directors are responsible for the other information. The other information comprises:

- the corporate governance declaration in accordance with § 289f and 315d HGB as cited in the combined group management report and management report,
- the responsibility statement pursuant to § 297(2) sentence 4 HGB and to § 315 (1) sentence 5 HGB in the Section "Declaration of Statutory Representatives" in the 2017 annual report,
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements, the combined group management report and management report and our auditor's report.

The Supervisory Board is responsible for the following information:

- the report of the Supervisory Board in the 2017 annual report.

Our opinions on the consolidated financial statements and on the combined group management report and management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined group management report and management report or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Group Management Report and Management Report The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined group management report and management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial state ments, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined group management report and management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined group management report and management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined group management report and management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Group Management Report and Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined group management report and management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal require ments and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined group management report and management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this combined group management report and management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined group management report and management report, 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 opinions. 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 of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined group management report and management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined group management report and management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined group management report and management report t. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined group management report and management report with the consolidated financial statements, its conformity with (German) law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined group management report and management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and regulatory requirements

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by a court decision on 29 December 2017. We were engaged by the Supervisory Board on 31 January/15 February 2018. We have been the group auditor of the Wild Bunch AG since the financial year 2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the engagement

The German Public Auditor responsible for the engagement is Frank Pannewitz.

Berlin, 6 August 2018

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Udo Heckeler Wirtschaftsprüfer (German Public Auditor)	Frank Pannewitz Wirtschaftsprüfer (German Public Auditor)

VI. Independent Auditor's Report 2018

Independent auditor’s report

To Wild Bunch AG, Berlin:

Report on the Audit of the Consolidated Financial Statements and of the Combined Group Management Report and Management Report

Opinions

We have audited the consolidated financial statements of Wild Bunch AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018**,** the consolidated income statement and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2018 to 31 December 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined group management report and management report of Wild Bunch AG for the financial year from 1 January 2018 to 31 December 2018. In accordance with the German legal requirements, we have not audited the content of the corporate governance declaration as stated in the combined group management report and management report of the parent company.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB (*Handelsgesetzbuch: German Commercial Code*) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the group as at 31 December 2018, and of its financial performance for the financial year from 1 January 2018 to 31 December 2018, and
- the accompanying combined group management report and management report as a whole provides an appropriate view of the group’s position. In all material respects, this combined group management report and management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined group management report and management report does not cover the content of the corporate governance declaration appended.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined group management report and management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined group management report and management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (*Institute of Public Auditors in Germany*) (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the combined group management report and management report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined group management report and management report.

Material Uncertainty in Connection with the Company Continuing as a Going Concern

We refer to the disclosures in Section 1.4. “Discretion and Uncertainties in Estimates – Acceptance of Company Continuation” of the notes to the consolidated financial statements as well as in Section 4.3.2. “Financial Risks” of the combined group management report and the management report, in which the legal representatives stated that various measures had been initiated to ensure and strengthen the financial basis. In addition to completing the conversion of debt capital to equity capital in 2019 and to injecting additional debt capital, it has been agreed upon that monies from additional shareholder loans will be paid out in May 2019. Furthermore, it is expected that the bank loans due in April 2020 can be successfully refinanced and will not be prematurely called in by the bank in the event of a breach of financial covenants concluded.

The Management Board further stated that should the financing and refinancing measures described and initiated not be successfully implemented to completion, or should an obligation arise for repaying the existing loans prematurely, or should the course of business fall well short of the expectations assumed in planning the budget, such events could impair the further development of the Company and the Group and jeopardize their ability to continue to exist, should any financial gaps not be closed by other capital measures.

This points to the existence of a material uncertainty that sheds a significant doubt on the Company's ability to continue as a going concern and presents a going concern risk in the meaning of § 322 (2) sentence 3 HGB.
In view of these facts and circumstances, our audit opinion is not qualified.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Assessment of the Group's Liquidity Planning

Related Information in the Consolidated Financial Statements and Combined Group Management Report and Management Report

The disclosures of the Group's planning are contained in Section 1.4. "Discretion and Uncertainties in Estimates – Acceptance of Company Continuation" and Section 5.12. "Events after the Balance Sheet Date (Supplementary Report)" of the notes to the consolidated financial statements as well as in Section 3.3. "Expected Development", in Section 3.4. "Overall Statement by the Management Board by the Group's Development" and in Section 4.3.2. "Financial Risks" of the combined group management report and management report. Keeping these considerations in mind, Assessment of the Group's Liquidity Planning were of special significance for our audit.

Facts and Risks for the Audit

The liquidity planning of the Wild Bunch Group is based on the assumption that the financial restructuring being implemented will successfully have been concluded and that sufficient financial funds can be made available to the entities of the Group so that the Group can meet its financial obligations and make the required investments in acquiring film distribution rights and in developing new marketing strategies. A risk exists that these assumptions, on which the planning was based, will not lead to achieving the goals set. In such a case the further development of the Group would be impaired and the existence of the Group as a going concern would be in jeopardy.

Audit Approach and Findings

As part of our audit, we traced the liquidity planning prepared by the Group and assessed the plausibility of the underlying assumptions. We examined the suitability of the considerations for the financial restructuring measures.

After having intensively discussed the planning and the underlying assumptions with management, we have come to the conclusion that the assumptions and goals planned are plausible. Furthermore, we have examined the possible event of the risks occurring as presented in Section "Material Uncertainty in Connection with Group Continuing as a Going Concern". With respect to the further financial restructuring planned, we interviewed the Management Board and gained the knowledge that no indications existed that spoke against a successful implementation of the restructuring measures to be introduced during the time period when the audit was being performed. Also after 31 December 2018 up to the date of the auditor's report, we convinced ourselves that the measures described in the supplementary report of the notes to the consolidated financial statements (section 5.12) have been implemented and that the available funds are available to the Group unchanged.

After having considered the financial restructuring measures to be introduced by Wild Bunch, we are of the opinion that the liquidity planning on the whole has elements of risk but is plausible.

Recoverability of Goodwill

Related Information in the Consolidated Financial Statements and Combined Group Management Report and Management Report

The Group's disclosures concerning goodwill are contained in Section 1.4. "Discretion and Uncertainties in Estimates", in Section 1.5 "Accounting Policies – Intangible Assets or – Impairment of Non-financial Assets" and in Section 3.1 "Goodwill" of the notes to the consolidated financial statements.

Facts and Risks for the Audit

The consolidated financial statements of Wild Bunch AG included goodwill in the amount of € 124,454 thousand, which was approximately 46 % of the balance sheet total and which exceeded equity by € 56,777 thousand. Goodwill is tested annually for impairment in order to measure a potential need for write-downs. The result of this measurement largely depends on how the legal representatives estimate prospective cash inflows and derive the discount rates used. Owing to the complexity of the underlying measurements, as well as the discretionary judgement exercised, Recoverability of Goodwill were of special significance for our audit.

Audit Approach and Findings

As part of our audit, we analysed the process implemented by the legal representatives of Wild Bunch AG as well as the accounting and measurement requirements for determining the recoverable amounts of the cash-generating units to which goodwill was allocated for potential risks of error in order to gain an understanding of these steps processed and the internal controls implemented. We acknowledged management's approach for capitalising interest rates as well as for generating future profits as specified in IAS 36.

We analysed the Group's planning underlying the impairment tests performed. We examined the significant assumptions on growth, the course of business planned and future profitability, and we assessed their plausibility and compared it with other firms in the industry. We discussed the planning with the legal representatives of Wild Bunch AG. On this basis we assessed their suitability.

The appropriateness of other significant measurement assumptions, such as the discount rates, have been evaluated by an internal valuation specialist who based his analysis on market indications. We analysed the parameters used in determining the discount rates with regard to their being properly derived and calculated in accordance with the requirements of IAS 36.

We estimated impairment risks arising through changes in significant measurement assumptions by conducting sensitivity analyses. Moreover, we retraced the mathematical accuracy of the measurement models in compliance with the requirements of IAS 36.

We are of the opinion that the impairment tests performed by the legal representatives of the parent company as well as the measurement parameters applied and the assumptions made were, as a whole, suitable for assessing whether goodwill was impaired.

Recoverability of Film Distribution Rights

Related Information in the Consolidated Financial Statements and Combined Group Management Report and Management Report

The Group's disclosures concerning film distribution rights as an element of intangible assets are included in Section 1.4. "Discretion and Uncertainties in Estimates", in Section 1.5 "Accounting Policies – Intangible Assets", and in Section 3.2. "Intangible Assets" of the notes to the consolidated financial statements.

Facts and Risks for the Audit

In the item intangible assets film distribution rights totalling € 51,833 thousand which is approximately 19 % of the balance sheet total, were disclosed. Film distribution rights form the basis of the business of the Wild Bunch Group. The acquisition costs of film distribution rights are amortised by applying a net revenue-based method. Additionally, film distribution rights annually undergo impairment testing as required by IAS 36. For such testing, the budget calculations for all film rights with respect to the market acceptance expected are regularly updated, and the recoverable amount from film rights (value in use) is determined by using the discounted cash flow method.

The results of these measurements are to a great degree dependent on how the legal representatives estimate future cash inflows from such analyses as well as on the discount rates applied. Such assessments therefore contain material uncertainties. Keeping these considerations in mind, Recoverability of Film Distribution Rights were of special significance for our audit.

Audit Approach and Findings

During our audit we have, amongst others, traced the methodological procedures for performing impairment tests and assessed whether the weighted average of capital costs complied with the requirements given in IAS 36.
For this purpose, we convinced ourselves that the underlying assessments of future net revenues from exploiting film rights were properly determined. For this we performed sampling for matching the remuneration contractually agreed upon for such exploitation with net revenues budgeted, and we acknowledged the suitability of the assumptions made for future revenues from other opportunities for exploiting such film distribution rights. Since the assumptions on future revenues were made by using discretionary judgment, we intensively discussed these issues with the legal representatives.

In addition, we evaluated the parameters used for applying the discount rates and traced the calculation scheme.

We are of the opinion that the impairment tests performed by the legal representatives of the parent company as well as the measurement parameters applied and the assumptions made were, as a whole, suitable for assessing whether film distribution rights were impaired.

Revenue Recognition and Deferred Income

Related Information in the Consolidated Financial Statements and Combined Group Management Report and Management Report

For the accounting policies and measurement methods applied in recognising revenues, we refer to the disclosures in the consolidated notes to the financial statements in Section 1.5. “Accounting Policies – First-time adoption of IFRS 15 Revenue from contracts with customers and - Revenue from contracts with customers”. For quantitative disclosures on revenues, we refer to the disclosures in the consolidated notes to the financial statements in Section 2.1. “Revenues” and in the combined group management Report and management report in Section 2.4 “Earnings, assets and financial position of the Group”.

Facts and Risks for the Audit

In the consolidated financial statements of Wild Bunch AG revenues totalling € 81,282 thousand were recognised. The revenues were primarily generated by exploiting film rights in the areas of theatrical distribution, of international sales as well as of direct electronic distribution and home entertainment.

Owing to the large number of different contractual agreements for various services of the Wild Bunch Group, we judge the issue of revenue recognition as being complex. Keeping these considerations in mind, Revenue Recognition and Deferred Income were of special significance for our audit.

Audit Approach and Findings

During our audit we analysed the process implemented by the legal representatives of Wild Bunch AG as well as the accounting policies and measurement methods applied in recognising revenue for possible risks, and we gained an understanding of the procedural steps of the process and the internal controls implemented. We acknowledged the procedures undertaken by the Group for deferring income on the basis of the criteria defined in IFRS 15.

In addition, we analysed, amongst others, the material revenues generated in the 2018 financial year in order to ascertain if a correlation existed between the related trade receivables and incoming payments. Moreover, we traced revenues recognised on the basis of contractual agreements by sampling in connection with the modified revenue recognition requirements of IFRS 15. We audited the revenues generated in the 2018 financial year with regard to their being deferred by taking samples of revenue transactions through tests of details just before and just after the reporting date. Also by means of sampling, we obtained balance confirmations from customers.

The results of our audit procedures led to no objections with regard to revenue recognition and to deferred income.

Other Information
The executive directors are responsible for the other information. The other information comprises:

- the corporate governance declaration in accordance with § 289f and 315d HGB as cited in the combined group management report and management report,
- the responsibility statement pursuant to § 297(2) sentence 4 HGB and to § 315 (1) sentence 5 HGB in the Section “Declaration of Statutory Representatives” in the 2018 annual report,

- the remaining parts of the annual report, with the exception of the audited consolidated financial statements, the combined group management report and management report and our auditor's report.

The Supervisory Board is responsible for the following information:

- the report of the Supervisory Board in the 2018 annual report.

Our opinions on the consolidated financial statements and on the combined group management report and management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined group management report and management report or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Group Management Report and Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined group management report and management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined group management report and management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined group management report and management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined group management report and management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Group Management Report and Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined group management report and management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined group management report and management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this combined group management report and management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined group management report and management report, 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 opinions. 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 of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined group management report and management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined group management report and management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined group management report and management report t. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined group management report and management report with the consolidated financial statements, its conformity with (*German*) law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined group management report and management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and regulatory requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 26 September 2018. We were engaged by the supervisory board on 26 November 2018. We have been the group auditor of the Wild Bunch AG since the financial year 2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the engagement

The German Public Auditor responsible for the engagement is Frank Pannewitz.

Berlin, 5 Mai 2019

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Udo Heckeler	Frank Pannewitz
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

13. TRANSACTIONS AND LEGAL RELATIONSHIPS WITH RELATED PARTIES

I. General Information

Pursuant to International Accounting Standard 24 (*IAS 24*), entities and persons are considered to be related to a company if the entity or a close relative of the person:

- controls the company or is involved in its joint management, exercises significant influence over this company or holds a key position in the management of the company or a parent entity;
- and the company is a member of the same group of companies;
- is associated with the company within the meaning of IAS 28 or a joint venture in which the company is a partner within the meaning of IAS 31;
- to the same extent as the company is a joint venture of the same third parties;
- is a company that is controlled by a related party, is significantly influenced by it or is subject to a joint management, in which a related party of that company is involved or in which such a person holds a key position in the management; or
- is a pension fund established for the benefit of the employees of the company or for the benefit of an entity related to that company for payments after termination of the employment relationship.

Material transactions and legal relationships which existed between the Issuer and the abovementioned related persons and entities in the financial years 2017 to 2018, as well as in the current financial year 2019 up to and including the date of this Prospectus, are set out below.

II. Transactions and Relationships with Corporate Bodies of the Issuer

Members of the Management Board and of the Supervisory Board of the Issuer and their family members are considered related parties.

For transactions of Management Board members and Supervisory Board members completed no transactions in the shares of the Issuer in the period between 1 January 2017 and 31 December 2018. Further details in relation to current shareholdings are set out under the sections "*Shareholdings of the Members of the Management Board in the Issuer*" and "*Shareholdings of the Members of the Supervisory Board in the Issuer*".

There have been no reportable transactions with related parties in the financial year 2019 up to and including the date of this Prospectus.

The members of the Management Board and the Supervisory Board do not have a conflict of interest or a potential conflict of interest between their obligations *vis-à-vis* the Issuer and their private interests or other obligations.

The Issuer did not grant loans to the members of the Management Board. No member of the Management Board received benefits or corresponding commitments from a third party in the past financial year with regard to his activity as a member of the Management Board.

III. Transactions and Relationships with Subsidiaries of the Issuer

1. Transactions with Subsidiaries

The Issuer as the Wild Bunch Group's holding company has various contractual relationships with its subsidiaries.

a) Cash Pooling Agreements

The Issuer entered into cash pooling agreements with Senator Home Entertainment GmbH, Senator Film Produktion GmbH, Senator Film Köln GmbH, Senator Film München GmbH, Senator Film Verleih GmbH, Eurofilm & Media Ltd., Senator MovInvest GmbH, Senaor Finanzierungs- & Beteiligungs GmbH and Senator Reykjavik GmbH.

b) Profit and Loss Transfer Agreements

The Issuer entered into profit and loss transfer agreements with (i) Senator Film Verleih GmbH, (ii) Senator Film Produktion GmbH, (iii) Senator Home Entertainment GmbH, (iv) Senator Film München GmbH, (v) Senator Film Köln GmbH and (vi) Senator MovInvest GmbH. (see below under "*2. Profit and Loss Transfer Agreements*").

c) Advisory Services

The Issuer advises Wild Bunch Group companies in the areas of labor, legal, license, controlling, tax and accounting as well as in connection with any matter relating to the film industry. Advisory costs incurred by other subsidiaries are covered entirely by such subsidiary.

d) License Agreements

There are license agreements (*Verwertungs- und Auswertungsverträge*) between (i) Senator Film Verleih GmbH and Senator Home Entertainment GmbH, (ii) Eurofilm & Media Ltd. and Senator Film Verleih GmbH, (iii) Eurofilm & Media Ltd. and Senator Home Entertainment GmbH und (iv) Senator Film Verleih GmbH and Senator Film Austria GmbH pursuant to which licenses for use and exploitation are transferred.

e) Debt Assumption Agreement

On 25 March 2019, Wild Bunch AG, Wild Bunch S.A., Continental Films SAS, Wild Bunch Distribution SAS, Wild Side Films SAS and Voltaire Finance B.V. entered into a debt assumption agreement where the Issuer assumed, with discharging effect (*übernahm schuldbefreiend*) for WBSA and certain other French subsidiaries of the Issuer, a portion of the debt under the French Bank Claims and SOFICA Claims in the aggregate amount of EUR 36,597,360 (i.e. the French Transferred Claims). As a result of such assumption, Voltaire Finance B.V became the creditor of the Issuer with regard to the French Transferred Claims.

For other agreements made between the Issuer and its subsidiaries in the course of the Wild Bunch Group's recent restructuring, we refer to the section "*Restructuring of the Wild Bunch Group*".

f) Other

There is a cost sharing agreement between Central Film Verleih GmbH und Senator Home Entertainment GmbH as of 26 March 2007 as certain employees work partially for both entities. The costs are shared equally.

2. Profit and Loss Transfer Agreements

The Issuer has concluded profit and loss transfer agreements with various subsidiaries, which also obliges it to cover losses:

a) Senator Film Verleih GmbH

On 20 March 2002, the Issuer and Senator Film Verleih GmbH have entered into a profit and loss transfer agreement, according to which Senator Film Verleih GmbH is obliged to transfer all profits (subject to the formation and dissolution of reserves) to the Issuer. The Issuer is obliged to compensate Senator Film Verleih GmbH for any annual losses, if and to the extent it cannot be covered by revenue reserves. The profit and loss transfer agreement is extended by one year, if it is not terminated earlier than six months before its annual expiration date on 31 December of each year. The profit and loss transfer agreement has not been terminated. The profit and loss transfer agreement was amended in 2013 to the effect that a dynamic reference to the provision of section 302 AktG for the loss absorption by the controlling company was inserted.

b) Senator Film Produktion GmbH

On 7 May 2007, the Issuer and Senator Film Produktion GmbH entered into a profit and loss transfer agreement pursuant to which Senator Film Produktion GmbH is obliged from 1 January 2007 to transfer all profits (subject to the formation and dissolution of reserves) to the Issuer. The Issuer is obliged to compensate Senator Film Produktion GmbH for any annual losses, if and to the extent it cannot be covered by revenue reserves. The profit and loss transfer agreement is extended each year by one year, if it is not terminated earlier than six months before its annual expiration date on 31 December of each year by any party.

c) Senator Home Entertainment GmbH

On 7 May 2007, the Issuer and Senator Home Entertainment GmbH entered into a profit and loss transfer agreement pursuant to which Senator Home Entertainment GmbH is obliged from the financial year 2007 onwards to transfer all profits (subject to the formation and dissolution of reserves) to the Issuer. The Issuer is obliged to compensate Senator Home Entertainment GmbH for any annual losses, if and to the extent it cannot be covered by revenue reserves. The profit and loss transfer agreement is extended each year by one year, if it is not terminated earlier than six months before its annual expiration date on 31 December of each year by any party.

d) Senator Film München GmbH

On 18 June 2012, the Issuer and Senator Film München GmbH entered into a profit and loss transfer agreement pursuant to which Senator Film München GmbH is obliged from the financial year 2012 onwards to transfer all profits (subject to the formation and dissolution of reserves) to the Issuer. The Issuer is obliged to compensate Senator Film München GmbH for any annual losses, if and to the extent it cannot be covered by revenue reserves. The profit and loss transfer agreement is extended each year by one year, if it is not terminated earlier than six months before its annual expiration date on 31 December of each year by Senator Film München GmbH.

e) Senator Film Köln GmbH

On 18 June 2012, the Issuer and Senator Film Köln GmbH entered into a profit and loss transfer agreement pursuant to which Senator Film Köln GmbH is obliged from the financial year 2012 onwards to transfer all profits (subject to the formation and dissolution of reserves) to the Issuer. The Issuer is obliged to compensate Senator Film Köln GmbH for any annual losses, if and to the extent it cannot be covered by revenue reserves. The profit and loss transfer agreement is extended each year by one year, if it is not terminated earlier than six months before its annual expiration date on 31 December of each year by Senator Film Köln GmbH.

f) Senator MovInvest GmbH

On 18 June 2012, the Issuer and Senator MovInvest GmbH entered into a profit and loss transfer agreement pursuant to which Senator MovInvest GmbH is obliged from the financial year 2012 onwards to transfer all profits (subject to the formation and dissolution of reserves) to the Issuer. The Issuer is obliged to compensate Senator MovInvest GmbH for any annual losses, if and to the extent it cannot be covered by revenue reserves. The profit and loss transfer agreement is extended each year by one year, if it is not terminated earlier than six months before its annual expiration date on 31 December of each year by Senator MovInvest GmbH.

IV. Transactions and Relationships with companies outside of the Wild Bunch Group

The Issuer considers Sapinda Asia Ltd., British Virgin Islands ("**Sapinda Asia**") to be a related party. Sapinda Asia temporarily held 3.68% of the voting rights in the Issuer during the financial year 2017. Mr. Lars Windhorst, who in turn personally holds 3.58% of these voting rights, is subject to disclosure requirements for Sapinda Asia. For this reason, the Issuer presumes that Mr. Lars Windhorst controls Sapinda Asia. Mr. Lars Windhorst is also an economic beneficiary within the chain of companies of the Sapinda Group that controls the companies and the companies that control them, with Consortia Partnership Ltd. at the top.

In addition, the Issuer had business relationships with the following related parties: As of the reporting date, the associate Circuito Cinema S.r.l., Rome, Italy, had loans and receivables amounting to EUR 284,000 (2017: EUR 217,000) due from the Group company BIM S.r.l., Rome, Italy, and trade payables amounting to EUR 39,000 (2017: EUR 31,000). In 2017, BIM S.r.l., Rome, Italy granted Circuito Cinema a loan amounting to EUR 213,000 and in 2018 it invoiced cinema revenue of EUR 215,000 (2017: EUR 94,000) with shareholder and Group company BIM S.r.l, Rome, Italy. In 2017, Circuito Cinema rendered services for the marketing of films for the shareholder BIM S.r.l., Rome, Italy amounting to EUR 160,000 (2017: EUR 212,000). In 2017, BIM Distribuzione S.r.l. assumed a guarantee in the amount of EUR 600,000 for a bank loan received by Circuito Cinema S.r.l. from Banca Nazionale del Lavoro.

In 2016, updated in 2017, there was a financial advisory agreement with the investment bank Lazard Frères ("**Lazard**"), Paris, France, according to which Lazard provides advisory services relating to strategic investor searches. The Supervisory Board member Pierre Tattevin was a partner at the Lazard Paris office at the time of the conclusion of the agreement. Lazard was commissioned at standard market conditions on the basis of purely performance-dependent remuneration, the accrual and amount of which is currently subject to different views.

14. GOVERNING BODIES OF THE ISSUER

*The governing bodies of the Issuer are the management board ("**Management Board**"), the supervisory board ("**Supervisory Board**") and the general shareholders' meeting ("**General Shareholders' Meeting**"). The responsibilities of these bodies are primarily governed by the German Stock Corporation Act (Aktiengesetz), the Articles of Association of the Issuer and the rules of procedures for the Management Board and the Supervisory Board, each in its current version (respectively, "**Rules of Procedure**").*

I. General Information relating to the Management Board and the Supervisory Board

The members of the Management Board and the Supervisory Board owe a duty of care and loyalty to the Issuer. The members of these governing bodies must take into account a broad spectrum of interests, especially those of the Issuer, its shareholders, its employees and its creditors when discharging these duties. The Management Board must also take into account the rights of shareholders with respect to equal treatment and equal information. Members of the Management Board or the Supervisory Board that breach any of their duties are jointly and severally liable to the Issuer for any resulting damages.

The members of the Management Board and the Supervisory Board are, up to a certain limit, covered for breaches of their duties as board members by a D&O insurance policy (directors and officers liability insurance). This insurance policy covers financial damages resulting from activities of the members of the governing bodies of the Issuer. The limit of liability is EUR 25,000,000 per occurrence, and a maximum of EUR 25,000,000 in each insurance year. The insurance does not provide any cover in the event of intentional misconduct, and insurance coverage may be revoked (retroactively) and payments be required to be reimbursed to the insurance if such intentional misconduct is determined. More details are set out in section "*Insurance*" in the Business Description of this Prospectus.

In general, if members of the Management Board or the Supervisory Board have breached their duties towards the company and if the company suffers a loss, it can file damage claims in court against the members of the management board or the Supervisory Board. In such cases, in the event of claims against members of the Supervisory Board, the Issuer will be represented by the management board and in the event of claims against the members of the management board, it will be represented by the Supervisory Board.

According to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), the Supervisory Board is required to bring damages claims against the management board if they appear to be enforceable, unless significant grounds relating to the welfare of the company speak against such action and unless these grounds outweigh the grounds in favour of the pursuit of such claims or are at least of equal weight. If the relevant body with the power to represent the company decides not to pursue a claim for damages, the claims for damages of the company against members of the management board or the Supervisory Board must nevertheless be brought if the general shareholders' meeting so decides by a simple majority vote. The general shareholders' meeting can appoint a special representative to pursue these claims. Shareholders whose combined shareholding constitutes 10% of the share capital of the company or a pro rata share of the share capital of the company of EUR 1 million may also request the court to appoint a special representative to assert these claims for damages. If such a representative is appointed, he will be responsible for pursuing the claims instead of the governing bodies of the company. If there are facts justifying a strong suspicion that the company has suffered losses due to dishonesty or gross breaches of duty, shareholders whose shares collectively constitute 1% of the share capital or a proportionate total of EUR 100,000, may, under certain conditions, be permitted by the court with jurisdiction to assert the claims for damages of the company against members of the management board in their own names on behalf of the company. Such a claim becomes impermissible if the company itself files a claim for damages. The company may waive or settle any damage claims against members of the management board only if three years have elapsed since the claims came into existence, and only if a simple majority of the shareholders votes in favour of such waiver or settlement at the general shareholders' meeting and provided that a minority of the shareholders whose shares collectively reach the level of 10% of the share capital does not raise an objection which is entered in the minutes of the meeting.

Under German law, individual shareholders like any other persons, are prohibited from using their influence on the company to instruct a member of the Management Board or Supervisory Board to take an action detrimental to the Issuer. Shareholders with a controlling influence may not use their influence to cause a controlled stocks corporation with which no management control agreement (*Beherrschungsvertrag*) exists to enter into a legal transaction that is disadvantageous to such corporation or to take or refrain from taking any measures that are disadvantageous to such corporation, unless the disadvantages are compensated. Any person who intentionally uses its influence over the company to cause members of the management board or the Supervisory Board, an authorised signatory (*Prokurist*), or an authorised agent (*Handlungsbevollmächtigter*) to act to the detriment of the company or its shareholders will be required to compensate the company for any resulting losses. Moreover, in this case the members of the Management Board and the Supervisory Board will be jointly and severally liable if they have acted in breach of their duties.

In the last five years, no current member of the Management Board or the Supervisory Board has been convicted of criminal acts of fraud. Likewise, no public accusations and/or sanctions have been imposed by statutory or regulatory authorities on the members of the Management Board or the Supervisory Board.

No current member of the Management Board or the Supervisory Board has been involved in insolvency, receivership or liquidation proceedings in their capacity as a member of an administrative, management or supervisory body or as a member of management during the last five years.

No current member of the Management Board or the Supervisory Board has ever been ordered by a court to be disqualified from being a member of an administrative, management or supervisory body or from acting in the management or from managing the business of an issuer.

As of the date of this Prospectus, there are no family relationships amongst the members of the Management Board nor between the members of the Management Board and the members of the Supervisory Board.

With the exception of the benefits described in section "Compensation of Members of the Management Board", there are no service contracts between the Issuer and members of the Management Board or the Supervisory Board, which provide for benefits at the end of the service contract.

II. Management Board

1. Responsibilities

The Management Board conducts the business of the Issuer in accordance with statutory law, the Articles of Association and the Rules of Procedure of the Management Board. The Management Board manages the Issuer under its own responsibility. The Management Board must also ensure that an adequate risk management and risk control system is established so that developments which may jeopardize the existence of the Issuer can be recognized at an early stage.

Pursuant to Section 6 (1) of the Articles of Association, the Management Board is composed of one or more members, the exact number of which is determined by the Supervisory Board. As of the date of this Prospectus, the Management Board consists of two members.

The members of the Management Board are appointed by the Supervisory Board for a maximum term of five years. The reappointment or extension of the term is permissible, in each case for a maximum of five years. The Supervisory Board can revoke the appointment of a member of the Management Board before expiration of the term of appointment for good cause, e.g. for gross breach of duties, or if the General Shareholders' Meeting declares it has no confidence in the member of the Management Board, unless the vote of no confidence is based on grounds that are obviously not objective. The Supervisory Board is also responsible for entering into, amending and terminating employment contracts with the members of the Management Board.

Pursuant to Section 8 of the Articles of Association, the Issuer is represented by two members of the Management Board jointly or by one member of the Management Board together with an authorised signatory (or, in case only one member of the Management Board is appointed, then they shall always represent the company alone.). However, the Supervisory Board can authorise one or more members of the Management Board to represent the Issuer alone.

In legal transactions between the company and members of the Management Board, the company is represented exclusively by the Supervisory Board (Section 112 AktG).

2. Members of the Management Board

The names of the members of the Management Board, their age, the year of their first appointment and the areas for which they are responsible are listed in the following overview.

Name	Age in years	Appointed since	Area of responsibility
Vincent Grimond..................	63	2015	Chief Executive Officer (CEO)
Max Sturm............................	48	2013	Chief Financial Officer (CFO)

The following description provides summaries of the *curricula vitae* of the current members of the Management Board and indicates their principal activities outside the Wild Bunch Group to the extent those activities are significant with respect to the Wild Bunch Group.

a) Vincent Grimond

Vincent Grimond has been a board member of the Issuer since 2015, and his term of appointment expires in December 2020.

Vincent Grimond is a graduate of ESSEC Business School (1978). Afterwards, he worked in the following executive and management positions, including the Issuer:

Period	Responsibilities
Since 2015	CEO of Wild Bunch AG
Since 2002	Co-Founder, Chairman of Wild Bunch S.A.
2000 - 2003...................	Senior Executive Vice President, Universal Studios, Los Angeles, USA
1996 - 2000...................	Founder and Chairman and CEO of StudioCanal
1981 - 1996...................	CFO Group Cap Gemini Sogeti
1981 - 1991...................	CFO of Club Méditerranée

b) Max Sturm

Max Sturm has been a board member of the Issuer since 2013, and his term of appointment expires on 30 June 2019.

Max Sturm worked in the following executive and management positions, including the Issuer:

Period	Responsibilities
Since 2013	CFO and Management Board member of Senator Entertainment AG (since 2015: Wild Bunch AG)
2009 – 2012	Managing director of sports segment of Constantin Medien AG
2001-2012.....................	Executive Vice President at Constantin Medien AG
2000 – 2001	Controlling and Finance Manager of Junior Web GmbH, Munich

The members of the Management Board can be contacted at the business address of the Issuer, Knesebeckstrasse 59-61, 10719 Berlin, Germany (+49 30 88091 700)

c) Further Activities

The following overview contains a list of all entities and companies, at which the members of the Management Board were members of the administrative, management or supervisory bodies or were partners during the last five years.

Name	Further activities
Vincent Grimond..........	Vincent Grimond is also the founder and honorary chairman of ESSEC Media & Entertainment Chair, Director of ODO and Attitude (Hotel Management), Director of Joulto (e-sports).
Max Sturm....................	None

3. Compensation of Members of the Management Board

The following information on the remuneration of the Management Board comply with the requirements of HGB (e.g. section 314 HGB) as well as of the German Corporate Governance Code. The Annual General Meeting of Wild Bunch

AG adopted a resolution on 26 September 2018 with a qualified majority of at least three quarters of the share capital represented at the time of the resolution, not to disclose the individual remuneration of the Management Board for the 2018 financial year. The authorisation is valid for the 2018 financial year and the following four financial years.

In total, the Management Board received remuneration of EUR 1,306,000 (previous year: EUR 1,043,000) in fiscal year 2018.

In addition, one member of the Management Board is also entitled to a bonus remuneration based on the achievement of certain milestones of the company of a maximum of EUR 150,000.

Wild Bunch's Supervisory Board is authorised to decide on an additional voluntary bonus for Management Board members for extraordinary services. This voluntary bonus may amount to a maximum of EUR 100,000 *per annum*.

In the case of incapacity for work, the Management Board members continue to receive their pay (fixed and performance-related remuneration) for a period of six months, but not beyond the end of their employment relationship. The same applies in the case of the death of a Management Board member for their surviving spouse or partner.

In the event of a change of control event and in the case of removal or exemption from their duties, the Management Board members have an extraordinary right of termination. In this case, the Management Board member Vincent Grimond is entitled to total remuneration (fixed salary and performance-related remuneration) until the end of the regular contractual term, capped at the amount of the total remuneration for two years. The management service contract of Max Sturm contains no such arrangement.

No member of the Management Board has entered into any service contract with any Wild Bunch Group company providing for benefits upon termination of employment.

4. Shareholdings of the Members of the Management Board in the Issuer

As of 26 March 2019, Vincent Grimond holds 175,588 shares and Max Sturm holds no shares in the Issuer.

III. Supervisory Board

1. Responsibilities

The Supervisory Board appoints the members of the Management Board and is authorised to remove them for cause. The Supervisory Board advises the Management Board on managing the Issuer and supervises its conduct of business. For this purpose, the Supervisory Board may request special reports from the Management Board at any time. Furthermore, the Management Board is obligated to report regularly to the Supervisory Board about the Issuer's business and fundamental matters of business planning.

In accordance with Section 10(1) of the Articles of Association of the Issuer, the Supervisory Board consists of six members. Unless the General Shareholders' Meeting decides in the election a shorter period for individual members to be elected by it or for the entire Supervisory Board, the members of the Supervisory Board shall be appointed until the end of the General Shareholders' Meeting that decides on the formal approval of their actions for the fourth financial year after their term of office has commenced. The year in which the term of office commences is not included. The election of a successor to a member who stands down before their term of office has expired is made for the remainder of the term of office of the member who has stood down.

2. Internal Organisation and Structure

The members of the Supervisory Board are elected by the General Shareholders' Meeting. Pursuant to the German Stock Corporation Act, the Supervisory Board elects a chairman and at least one deputy chairman for the respective term of office. If the chairman or a deputy resigns before expiration of the term of office, the Supervisory Board must, without undue delay, conduct new elections to replace the resigning member for the remainder of its term. According to the Articles of Association, declarations of intent by the Supervisory Board, are made by the chairman of the Supervisory Board on its behalf. The Supervisory Board may form committees for specific functions from among its own members. The Supervisory Board has the following two committees, which ensure that it performs its duties efficiently: the Audit and Balance Sheet Committee and the Investment Committee. The Audit and Balance Sheet Committee consisted of the following members in the 2018 financial year: Pierre Tattevin and Tarek Malak. Pierre Tattevin also serves as an independent financial expert (IFC) of the Supervisory Board. The Investment Committee comprised the following members: Dr. Georg Kofler and Kai Diekmann.

Due to the delays encountered in audit of the 2015 and 2016 financial statements, the Audit and Balance Sheet Committee met three times in 2017 and two times in 2018. There was no meeting of the Investment Committee in 2017 and 2018.

3. Meetings and Adoption of Resolutions

Generally, the Supervisory Board should hold quarterly meetings. In financial year 2017, the Supervisory Board held four meetings; in addition, with respect to several urgent matters, the Supervisory Board passed resolutions outside of formal meetings. In financial year 2018 and in 2019 until the date of this Prospectus, the Supervisory Board held collectively eight meetings (including the Supervisory Board meeting by conference call on the day of this Prospectus).

According to Section 15 of the Articles of Association, meetings of the Supervisory Board are convened by the chair, or in its absence by the vice chair, by giving written notice of 14 days. The day that the notice is sent and the day of the meeting are not included in the calculation of the notice period. In urgent cases, the chair can shorten the notice period and convene the meeting orally, by telephone, by telex or by telegram. The items on the agenda are to be communicated with the notice of the meeting and proposed resolutions are to be identified.

According to Section 16 of the Articles of Association, the chair of the Supervisory Board or, in its absence, the deputy can adjourn a meeting that has been convened before it commences. The Supervisory Board is quorate when all members have been sent the notice of the meeting to their last known address and no fewer than three members take part in the decision-making process. A member also takes part in the decision-making process when they abstain from voting. A decision on an item of the agenda that was not included in the notice of the meeting is permitted only if no member of the Supervisory Board who is present objects to the decision-making process and if not less than two thirds of the members are present.

Decisions of the Supervisory Board and of its committees may be taken in writing, by telephone, by telex or other similar forms if no member of objects to this procedure within a reasonable period laid down by the chair. The chair of meetings of the Supervisory Board is taken by the chair of the Supervisory Board or, in their absence, by their deputy. The chair determines the order in which the items on the agenda are discussed as well as the voting method and order.

Resolutions are adopted by a simple majority of votes unless otherwise prescribed by the Articles of Association or by applicable law. This also applies to elections. If a vote is tied, the chair or, if the chair does not take part in the decision, the vice chair shall have the casting vote. An absent member of the Supervisory Board can cast a written vote and have it submitted by another member of the Supervisory Board.

Pursuant to Section 16(8) of the Articles of Association, the invalidity of a resolution of the Supervisory Board can be asserted only by bringing a court action within one month after the resolution has been made known.

4. Members of the Supervisory Board

The names of the members of the Supervisory Board, the year of their appointment and expiration of appointment and the areas for which they are responsible are listed in the following overview.

Name	**Appointment**		**Further activities**
	Since	**Expiry**	
Tarek Malak (Chairman)................................	2014	2023	Sapinda International Services B.V. (Berlin Branch),
Kai Diekmann (Deputy Chairman)................	2018	2023	Journalist; StoryMachine, Deutsche Fondsgesellschaft SE
Dr. Georg Kofler	2018	2023	CEO and main shareholder of Social Chain Group AG, managing director of Social Chain GmbH, chairman of the supervisory board of Leifeld Metal Spinning AG, member of the supervisory board of Lumaland AG
Pierre Tattevin	2015	2023	Attorney at Law; Partner and Managing Director at Lazard Investmentbank Ltd.

The following description provides summaries of the *curricula vitae* of the current members of the Management Board and indicates their principal activities outside the Wild Bunch Group to the extent those activities are significant with respect to the Wild Bunch Group.

a) Tarek Malak

Mr. Tarek Malak studied economics at the University of St. Gallen, Switzerland, and startet his carreer at the investment bank Rothschild in Frankfurt am Main and later in London. As a member of Rothschild's M&A team, he advised companies primarily in the area of telecom, media and technology, real estate, retail and consumer goods. Later he moved to the restructuring team at Rothschild, where he advised companies in real estate, travel and leisure industry, as well as trade and consumer goods. Since 2011, Tarek Malak has been with the Tennor Group, first with Sapinda Germany GmbH and later with Sapinda International Services B.V. in Berlin and London. Tarek Malak is a member of the Supervisory Board of Ichor Coal N.V. In 2017, he was elected Chairman of the Supervisory Board of Wild Bunch AG.

b) Kai Diekmann

Mr. Kai Diekmann is author and publisher of several books. He is an Independent Member of the Board of Directors of Hürriyet since 2004 and non-Executive Director of the London Times since 2011. He is a member of the Public Policy Advisory Board at UBER (San Francisco) since 2017. He is chairman of the "Freundeskreis Yad Vashem in Germany e.V" in Germany since November 2017. Kai Diekmann is founder and shareholder of the German Future Fund and the social media company Storymachine. Until January 2017, Kai Diekmann was editor of BILD for 15 years. In 2012/2013, Kai Diekmann spent 10 months in Silicon Valley to develop new entrepreneurial ideas for digital growth on behalf of Axel Springer on the west coast of the USA. He is married and has four children.

c) Dr. Georg Kofler

Dr. Georg Kofler, for many years Chief Executive Officer of ProSieben Media AG and Premiere AG, is today the main shareholder and CEO of the Social Chain Group, an integrated social media company specializing in social publishing, social marketing and social commerce. After studying journalism and communication sciences in Vienna, Austria, with a subsequent doctorate, he began his career in 1985 as a personal advisor to the ORF Director-General. Afterwards, he joined Leo Kirch as assistant and office manager in his media company. From 1988 to 2000 he was Managing Director and later Chairman of the Executive Board of ProSieben Television AG, which he listed on a stock exchange in 1997. Dr. Kofler is founder and from 2000 onwards CEO of the home shopping network H.O.T. and, from 2002, CEO of Premiere Fernsehen GmbH & Co. KG / Premiere AG, which he also listed on a stock exchange. In 2007, he withdraws from the media business and founds his own investment holding company with whom he still invests in startups. One year later, Kofler also set up its own energy company. Since 2017, he is juror and investor in the German free TV series "The Cave of the Lions" ("*Die Höhle der Löwen*").

d) Pierre Tattevin

Pierre Tattevin is a Partner and Managing Director at Lazard Frère Paris, France. He started his career as a corporate lawyer with Cleary Gottlieb in Paris and New York City. He firstly joined Lazard in 1982 and became a Managing Director in 1995, before moving to Rothschild in 2000 as Managing Director at Rothschild & Cie, where he played an active part in developing the firm's domestic and international financial advisory and M&A businesses. Pierre Tattevin rejoined Lazard in 2010.

The members of the Supervisory Board can be contacted at the business address of the Issuer, Knesebeckstrasse 59-61, 10719 Berlin, Germany (+49 30 88091 700)

5. Compensation of the Members of the Supervisory Board

In accordance with Section 19 of the Articles of Association, the members of the Supervisory Board are generally reimbursed for their expenses resulting from activities in connection with their position in the Supervisory Board. In addition to such reimbursement of their expenses, the members of the Supervisory Board shall receive annual remuneration of EUR 16,000 each. The chair of the Supervisory Board shall receive EUR 22,000, their vice chair EUR 20,000. In addition, the company shall reimburse the members any value added tax incurred on this against presentation of invoice.

The remuneration is payable on the day after the General Shareholders' Meeting at which the formal approval of the actions of the board members is adopted by resolution. A member of the Supervisory Board who steps down in the course of a financial year shall be granted the remuneration *pro rata temporis*.

The Issuer is entitled to insure the members of the Supervisory Board to a reasonable extent at the expense of the Issuer against the statutory liability risks of their work as members of the Supervisory Board.

The table below provides an overview of the compensation (excluding VAT) of the members of the Supervisory Board who were members of the Supervisory Board in financial year 2018:

Name	Remuneration	Expenses	Total
Tarek Malak	92,598	-	92,598
Pierre Tattevin	39,429	-	39,429
Kai Diekmann[1]	11,825	1,034	12,859
Dr. Georg Kofler[1]	7,911	-	7,911
Michael Edelstein[2]	7,911	-	7,911
Benjamin Waisbren[3]	35,597	-	35,597
Hans Mahr[4]	-	1,172	1,172
Total	**195,271**	**2,206**	**197,477**

1) From 27 September 2018.
2) From 27 September until 22 November 2018.
3) Until 19 February 2019.
4) Until 16 January 2018.

No member of the Supervisory Board has entered into any service contract with any Wild Bunch Group company providing for benefits upon termination of employment.

6. Shareholdings of the Members of the Supervisory Board in the Issuer

No member of the Supervisory Board holds any shares directly or indirectly in the Issuer except for Pierre Tattevin who holds one share in the Issuer.

IV. General Shareholders' Meeting

1. Convening Meetings and Announcement of Agenda

Pursuant to Section 175 AktG, the annual general shareholders' meeting takes place within the first eight months of each fiscal year and must be held pursuant to Section 20(1) of the Articles of Association, as the convening body shall decide, at the Issuer's registered seat or at the place of a German stock exchange. Except where other persons are authorised to do so by law, the General Shareholders' Meeting shall be convened by the Management Board or the Supervisory Board. Notice must be issued in the German Federal Gazette (*Bundesanzeiger*) at least 30 days before the end of the day on which shareholders must register to take part; the day of the meeting itself and the last day of the period of notice not being included when calculating this period.

A General Shareholders' Meeting may be requested by shareholders whose shares in aggregate account for 5% of the capital stock. Shareholders or shareholder associations may solicit other shareholders to make such a request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Issuer Register (*Unternehmensregister*). If, following a request made by shareholders whose shares in aggregate account for 5% of the capital stock, a General Shareholders' Meeting is not held in due time, the competent local court (*Amtsgericht*) may authorise the shareholders who have requested it or their representatives to convene a General Shareholders' Meeting.

Pursuant to Section 21 of the Articles of Association, shareholders who wish to participate in the General Shareholders' Meeting and exercise their voting rights must register for such meeting and furnish proof of their entitlement. The registration and proof of entitlement must be received by the Issuer at the address set out in the invitation to the General Shareholders' Meeting no less than six days before such meeting. A shortened period of up to three days before the General Shareholder's Meeting can be provided in the invitation. Pursuant to Section 21(3) of the Articles of Association, the Management Board is authorised to provide that shareholders may cast votes in writing or by electronic communication without physically attending the General Shareholders' Meeting (postal vote). It can lay down detailed regulations for the postal vote procedure.

2. Voting Rights and Decision Making

The General Shareholders' Meeting is chaired by the chairman of the Supervisory Board or by another member of the Supervisory Board appointed by the chairman (*chairman of the General Shareholders' Meeting*). In the event that neither the chairman of the Supervisory Board nor another member of the Supervisory Board appointed by the chairman takes over the position of the chairman of the General Shareholders' Meeting, the chairman of the General Shareholders' Meeting is to be elected by the Supervisory Board. In the event that the Supervisory Board does not elect the chairman of the General Shareholders' Meeting, the chairman of the General Shareholders' Meeting shall be elected by the General Shareholders' Meeting. The chairman of the shareholders' meeting chairs the proceedings of the meeting and directs the course of the proceedings. He may determine the sequence of speakers and the consideration of the items on the agenda as well as the form, the procedure and the further details of voting. He may also, to the extent permitted by law, decide on the bundling of factually related items for resolution into a single voting item. He is further authorised to impose a reasonable time limit on the right to ask questions and to speak. In particular, he may establish at the beginning of or at any time during the shareholders' meeting, a limit on the time allowed to speak or ask questions or on the combined time to speak and ask questions, determine an appropriate time frame for the course of the entire shareholders' meeting, for individual items on the agenda or individual speakers; he may also, if necessary, close the list of requests to speak and order the end of the debate.

Pursuant to Section 22(1) of the Articles of Association, each share carries one vote in the General Shareholders' Meeting. The voting right can be exercised by a proxy. As long as share certificates are not issued, the conditions under which the shareholders can exercise their voting rights at the General Shareholders' Meeting are specified in the invitation to attend the meeting. Unless otherwise stipulated by mandatory statutory provisions or provisions of the Articles of Association, resolutions of the general shareholders' meeting are adopted by a simple majority of the votes cast or, if a capital majority is required in addition to a majority of votes, a simple majority of the registered share capital represented at the meeting is sufficient, to the extent that this is legally possible.

In accordance with provisions of the German Stock Corporation Act (*Aktiengesetz*), resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the registered share capital represented at the vote on the resolution. Resolutions of fundamental importance include, but are not limited to:

- approval of contracts within the meaning of Section 179a AktG (transfer of the entire assets of the company) and management actions of special significance that require the approval of the shareholders' meeting in compliance with legal precedents;
- capital increases, including the creation of conditional or authorised capital;
- issuance of, or authorization to issue, convertible and profit-sharing certificates and other profit-sharing rights;
- exclusion of subscription rights as part of an authorization on the use of treasury stock;
- capital reductions;
- liquidation of the company;
- continuation of the liquidated company after the resolution on liquidation or expiry of the time period;
- approval to conclude, amend or terminate affiliation agreements (*Unternehmensverträge*);
- integration of a stock corporation into another stock corporation and squeeze-out of the minority shareholders; and
- action within the meaning of the German Transformation Act (*Umwandlungsgesetz*).

Neither the laws of the Federal Republic of Germany nor the Articles of Association limit the right of foreign shareholders or shareholders not domiciled in Germany to hold shares in the Issuer or exercise the voting rights associated therewith.

V. Corporate Governance

The German Corporate Governance Code as amended on 7 February 2017 (the "**Code**") contains recommendations and suggestions for the management and supervision of German companies listed on a stock exchange. The Code incorporates nationally and internationally recognized standards of good and responsible corporate governance. The purpose of the Code is to make the German system of corporate governance and supervision transparent for investors. The Code includes recommendations and suggestions for management and supervision with regard to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and auditing.

There is no obligation to comply with the recommendations or suggestions of the Code. However, the German Stock Corporation Act (*Aktiengesetz*) requires that the management board and supervisory board of a German listed company declare, every year, either that the recommendations have been or will be applied, or which recommendations have not been or will not be applied and explain why the management board and the supervisory board do not/will not apply the recommendations that have not been or will not be applied. This declaration is to be made permanently accessible to shareholders. However, deviations from the suggestions contained in the Code need not be disclosed.

In April 2019, the Management Board and the Supervisory Board issued the most recent legally required declaration of compliance with the Code, in accordance with Section 161 of the German Stock Corporation Act, as follows:

> "*The Management and the Supervisory Board of Wild Bunch AG ("**Wild Bunch**") declare in accordance with § 161 AktG that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 7 February 2017 have been complied with since the last declaration of conformity was issued, with the following exceptions:*
>
> ***Total remuneration of the Management (4.2.2)***
>
> *In assessing the appropriateness of the remuneration of the Management, the ratio to the remuneration of senior executives and the workforce was only partially taken into account.*
>
> *Reason: The terms of the management service contracts with the three other management members at the time were determined in the course of the merger with Wild Bunch S.A. The corresponding practice at Wild Bunch S.A. had to be considered. In addition, there was a reference to the remuneration of Mr Max Sturm, the determination of which had not yet been based on such a recommendation of the Code. This remuneration structure was also retained in the renegotiation of Management contracts.*
>
> ***Use of sample tables for the presentation of remuneration components (4.2.5 para. 4 in conjunction with Annex)***
>
> *The individual components of the remuneration of members of the Management are not presented using the model tables.*
>
> *Reason: Wild Bunch prepares the remuneration report in continuous text form.*
>
> ***Composition of the Management/ Diversity (5.1.2)***
>
> *The Management consists of Vincent Grimond and Max Sturm. To date, women have not been considered when filling Management positions.*
>
> *Reason: As part of the negotiations on the merger with Wild Bunch, it was agreed that the Wild Bunch management board would be expanded to include members of the Wild Bunch management. There was no woman among these members of management. The appointment of Mr Chioua and Mr Maraval ended last year. The Supervisory Board has not provided for a replacement. If an application and selection process takes place in the future, the Supervisory Board will again specifically aim to recruit suitable women and take women into account when selecting them for a Management position.*
>
> ***Formation of a Nomination Committee (5.3.3)***
>
> *The Supervisory Board has not formed a nomination committee.*
>
> *Reason: By resolution of the Supervisory Board dated 22 August 2011, an Audit Committee and an Investment Committee were established (5.3). The formation of a Nomination Committee (5.3.3), which is composed exclusively of shareholder representatives and which proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting, is currently still waived. On the one hand, due to the size of the company, no employee representatives are members of the Supervisory Board, and on the other hand, new appointments should be discussed by the entire Supervisory Board from the outset.*
>
> ***Publication of the consolidated financial statements within 90 days, of the interim report within 45 days (7.1.2)***
>
> *Wild Bunch endeavours to publish the consolidated financial statements within 120 days and the interim report within 90 days. Wild Bunch did not publish the consolidated financial statements for the 2017 reporting year within 120 days until 30 April 2018.*
>
> *Reason: The preparation and adoption of the 2017 consolidated financial statements required considerable organisational resources, particularly in light of the merger with Wild Bunch S.A.*

Diversity concept pursuant to Section 289f (2) No. 6 HGB

The Management and Supervisory Board have not yet drawn up an independent diversity concept in accordance with Section 289f (2) No. 6 HGB with regard to the composition of the authorized body and the Supervisory Board with regard to aspects such as age, gender, educational or professional background. The Management and the Supervisory Board are of the opinion that, in addition to the objectives for the composition of the Management and the Supervisory Board and the measures to promote diversity that have been implemented and aspired to in the company to date, an additional diversity concept does not bring any substantial added value. A review of these principles in the 2018 financial year did not lead to any divergent findings. The Management and the Supervisory Board will, however, review whether it makes sense to draw up an independent diversity concept in the 2019 financial year.

Report on target achievement of women's quota (§ 289f Para. 2 No. 4 HGB)

In May 2015, the Bundestag passed a law on the equal participation of women and men in management positions. In accordance with the statutory requirements, which affect the Company as a listed and not co-determined company, binding targets have been set for the Supervisory Board, the Management and the next management level of the Company. The targets for the Supervisory Board and the Management are set by the Supervisory Board, while those for the two management levels below the Management are set by the Management.

In detail, the following was decided for the individual levels:

- *Supervisory Board: With effect from 30 June 2017, the Supervisory Board has set a target figure of at least one woman for the period up to 30 June 2022 when the Supervisory Board consists of six members. Following the resignation of Prof. Katja Nettesheim from her Supervisory Board mandate, a previously non-existent replacement with one woman and the current appointment of four members to the Supervisory Board, the target has not yet been reached.*
- *Management: With effect from 30 June 2017, the Supervisory Board has set a target of zero percent for the period up to 30 June 2022. The Management currently consists of two members. If an application and selection process takes place in the future, the Supervisory Board will again specifically aim to recruit suitable women and take women into account when selecting them for a Management position.*
- *Management level below the Management: The target figure of 30 percent women for the management level below the Management set by the Management for the period up to June 30, 2022 continues to be met. There is no second management level below the Management.*"

The content of the Issuer's declaration of compliance of April 2019 is still accurate.

15. DESCRIPTION OF THE ISSUER'S SHARE CAPITAL AND APPLICABLE REGULATIONS

I. Share Capital and Shares

As of the date of this Prospectus, the registered share capital (*Grundkapital*) of the Issuer amounts to EUR 23,942,755 and is divided into 23,942,755 ordinary bearer shares with no-par value (*Stückaktien*). The share capital has been fully paid up. The Issuer's shares were created pursuant to the laws of Germany.

Holders of shares have property and administrative rights. The property rights include, in particular, the right to participate in profits and liquidation proceeds, as well as in subscription rights in the event of a capital increase. Administrative rights include the right to speak at a General Shareholders' Meeting, to ask questions, to propose motions and to exercise the voting right. Shareholders can enforce these rights in particular through actions seeking disclosure, actions for avoidance and actions for annulment.

In accordance with § 22(1) of the Issuer's Articles of Association, each share confers one vote at the General Shareholders' Meeting. The General Shareholders' Meeting resolves, in particular, on the use of net profits, on the formal approval of the actions of the Management Board and the Supervisory Board, on the election of the auditor and on other particular measures of fundamental importance such as corporate actions and enterprise agreements.

In accordance with § 24(1) of the Issuer's Articles of Association, all resolutions of the General Shareholders' Meeting require a simple majority of the share capital represented at the time the resolution is adopted, unless statutory law requires a different majority.

II. Historical Development of the Share Capital

The Issuer was established on 16 January 1986 with a share capital of DM 2,000,000. Through various capital measures, the registered share capital (*Grundkapital*) of the Issuer was increased to DM 24,000,000 between 1986 and 1998.

The registered share capital (*Grundkapital*) of the Issuer was increased by DM 975,000 from DM 24,000,000 to DM 24,975,000 by means of resolutions of the Management Board of 9 February 1999 and the Supervisory Board of 8/9 February 1999, respectively, on the basis of an authorization (authorised capital, *genehmigtes Kapital*) contained in the Articles of Association ("**Authorised Capital**") as resolved by the General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer of 30 December 1998. Such capital increase was entered in the commercial register (*Handelsregister*) on 24 February 1999. The shareholders' subscription rights were excluded. The capital increase served to fulfil the greenshoe option granted to a consortium of banks as part of the Issuer's IPO.

By means of resolutions passed by the Management Board on 20 April 2000 and the Supervisory Board on 20 April, 9 May and 25 May 2000, respectively, using Authorised Capital, the registered share capital (*Grundkapital*) of the Issuer was increased by a further DM 9,024,960 and DM 40 to DM 34,000,000 The implementation of these capital increases was entered in the commercial register (*Handelsregister*) on 10 May and 29 May 2000, respectively.

By resolution of the General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer of 7 June 2000, the registered share capital (*Grundkapital*) of the Issuer was converted to EUR and increased from funds of the Issuer (*Gesellschaftsmittel*) by EUR 16,616,076.04 to EUR 34,000,000. The capital increase was registered on 14 June 2000.

By resolution of the General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer on 17 June 2004 – following the opening of insolvency proceedings – the registered share capital (*Grundkapital*) of the Issuer was reduced by EUR 30,600,000 to EUR 3,400,000 by way of a simplified capital reduction, and the reduced capital was increased again by up to EUR 30,600,000 against cash contributions. The capital reduction was entered in the commercial register (*Handelsregister*) on 25 June 2004. On 1 October 2004, the capital increase and its implementation amounting to EUR 10,363,818 were entered in the commercial register (*Handelsregister*). As a consequence, the registered share capital (*Grundkapital*) of the Issuer so increased amounted to EUR 13,763,818.

Also during the insolvency of the Issuer, the registered share capital (*Grundkapital*) of the Issuer was increased by EUR 6,200,000 to EUR 19,963,818 against contributions in kind (*Sacheinlagen*) by a resolution of the General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer on 23 November 2004. The shareholders' subscription rights were excluded. The contributions in kind (*Sacheinlagen*) were receivables from the syndicated loan agreement between Bayerische Landesbank, Commerzbank AG, Frankfurter Sparkasse von 1822, Norddeutsche Landesbank, Girozentrale, and DZ Bank AG, on the one hand, and the Senator Group, on the other hand, dated 20 December 2001/18 January 2002 in the version dated 2/9 July 2003. Deutsche Bank AG had acquired these receivables by way of assignment. By way of a contribution agreement dated 7/8 December 2004, Deutsche Bank AG transferred these receivables, together with all ancillary rights and claims, to the Issuer. Further claims of Deutsche Bank AG in the insolvency table (*Insolvenztabelle*) were maintained in the amount of EUR 11,000,000. Deutsche Bank AG also waived a further partial claim in the amount of EUR 10,000,000 against a debtor warrant. Later on, Deutsche Bank AG also waived its rights under such debtor warrant. Deutsche Bank AG guaranteed the value of the claim contributed with all ancillary rights and claims in the amount of at least EUR 6,200,000 by way of an independent guarantee promise.

Using Authorised Capital, on 1 June 2012, the Management Board of the Issuer resolved, with the approval of the Supervisory Board on the same day, to increase the registered share capital (*Grundkapital*) of the Issuer by up to EUR 9,981,606 by issuing up to 9,981,606 no-par value bearer shares, each with a notional value of EUR 1.00 per share, against cash contributions. The Management Board, with the approval of the Supervisory Board, excluded the shareholders' subscription right regarding 3,327,000 shares in order to grant the holders of warrants for shares from the 2011/2016 bond with warrants issued in April 2011 subscription rights for new shares in the amount to which such holders would have been entitled after exercising their respective option rights. The implementation of this capital increase was entered in the commercial register (*Handelsregister*) on 26 June 2012.

The extraordinary General Shareholders' Meeting (*außerordentliche Hauptversammlung*) of the Issuer of 12 September 2014 resolved to reduce the registered share capital (*Grundkapital*) of the Issuer by EUR 22,459,068 from EUR 29,945,424 to EUR 7,486,356.00. The capital reduction was implemented as a simplified capital reduction by combining shares at a ratio of four to one in order to compensate for impairments in the total amount of EUR 22,459,068 and in order to cover other losses. The resolution on the capital reduction was entered in the commercial register (*Handelsregister*) on 23 October 2014.

The extraordinary General Shareholders' Meeting (*außerordentliche Hauptversammlung*) of the Issuer of 12 September 2014 also resolved to increase the registered share capital (*Grundkapital*) of the Issuer (which had been reduced to EUR 7,486,356.00) by EUR 6,908,671 to EUR 14,395,027 against cash contributions by issuing 6,908,671 new no-par value bearer shares with a notional value of the share capital of EUR 1.00 each. Regarding 1,727,478 shares, the subscription rights of the shareholders were excluded in order to grant the holders of the warrants from the warrant bond 2011/2016 subscription rights to new shares to the extent that such holders would have been entitled thereto after exercising their respective option rights in accordance with the warrant conditions of the warrant bond 2011/2016 (taking into account the aforementioned capital reduction). The completion (*Durchführung*) of such capital increase was registered with the commercial register on 26 November 2014.

In addition, the extraordinary General Shareholders' Meeting (*außerordentliche Hauptversammlung*) of the Issuer of 12 September 2014 resolved to increase the registered share capital (*Grundkapital*) of the Issuer by at least EUR 3,806,313 and up to EUR 4,229,237 against contributions in cash and/or in kind by issuing at least 3,806,313 and up to 4,229,237 new bearer shares with a proportionate amount of the share capital of EUR 1.00 each. To the extent that the capital increase was carried out against contribution in kind, the shareholders' subscription rights were excluded. The contributions in kind related to the 8% bonds with a nominal value of EUR 100.00 each from the 2011/2016 warrant bond. The completion (*Durchführung*) of such capital increase was registered with the commercial register on 4 December 2014.

Finally, the extraordinary General Shareholders' Meeting (*außerordentliche Hauptversammlung*) of the Issuer of 12 September 2014 resolved to increase the registered share capital (*Grundkapital*) of the Issuer by EUR 55,872,788 through the issue of 55,872,788 new bearer shares with a proportionate amount of the share capital of EUR 1.00 each against contributions in kind (*Sacheinlagen*) in the form of all shares in Wild Bunch S.A., Paris (France). The completion (*Durchführung*) of such capital increase was registered with the commercial register 5 February 2015.

The registered share capital (*Grundkapital*) of the Issuer was increased by EUR 1,391,556 from EUR 74,330,015 to EUR 75,721,571 on the basis of an Authorised Capital resovled by the General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer on 30 June 2015 and resolutions of the Management Board and Supervisory Board of 17 December 2015. Such capital increase was entered in the commercial register (*Handelsregister*) on 21 December 2015. The shareholders' subscription rights were excluded. Using the same Authorised Capital, on 6 January 2016, the Management Board of the Issuer (with the approval of the Supervisory Board of the same day) resolved to increase the registered share capital (*Grundkapital*) of the Issuer by up to EUR 5,372,464, by issuing up to 5,372,464 no-par value bearer shares of common stock, each with a notional value of EUR 1.00 per share, against cash contribution. The completion (*Durchführung*) of such capital increase in the full amount of EUR 5,372,464 was entered in the commercial register (*Handelsregister*) on 7 January 2016. Again using the same Authorised Capital, the registered share capital (*Grundkapital*) of the Issuer was increased by a further EUR 668,980 to EUR 81,763,015 on the basis of resolutions passed by the Management Board and Supervisory Board on 19 January 2016. The implementation of such capital increase was entered in the commercial register (*Handelsregister*) on 3 February 2016.

The General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer of 26 September 2018 resolved to decrease the registered share capital (*Grundkapital*) of the Issuer from EUR 81,763,015 to EUR 81,763,000 and, subsequently, at a ratio of 40 to 1, from EUR 81,763,000 to EUR 2,044,075.00. The resolutions on such capital decreases were entered in the commercial register (*Handelsregister*) of the Issuer on 26 November 2018.

The General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer of 26 September 2018 resolved, further, to increase the registered share capital (*Grundkapital*) of the Issuer by EUR 3,600,000 against contributions in kind (*Sacheinlagen*) in the form of all 2016/2019 8% notes in the aggregate nominal amount of EUR 18 million as issued by the Issuer in 2016. The completion (*Durchführung*) of such capital increase was registered with the commercial register on 14 March 2019.

The General Shareholders' Meeting (*ordentliche Hauptversammlung*) of the Issuer of 26 September 2018 resolved, further, to increase the registered share capital (*Grundkapital*) of the Issuer by EUR 18,298,680 against contributions in kind (*Sacheinlagen*) in the form of various claims originally stemming from credit agreements with French banks and investement agreements with French film and media industry funding companies entered into by Wild Bunch S.A. and other French subsidiaries of the Issuer. The completion (*Durchführung*) of such capital increase was registered with the commercial register on 12 April 2019.

As a result, the current share capital (*Grundkapital*) of the Issuer amounts to EUR 23,942,755.00.

As of the date of this Prospectus, the Issuer's shares include 21,898,680 New Shares, carrying full dividend rights as from 1 January 2019 (ISIN DE000A2TSLZ0 / WKN A2TSLZ) for which application has been made for the admission to trading on the Frankfurt Stock Exchange. The Issuer contemplates to consolidate its shares carrying the same ISIN/WKN after the date of the annual general shareholder's meeting 2019.

III. Certification and Transferability of Shares

According to § 4(2) of the Articles of Association, the Management Board decides, with the approval of the Supervisory Board, on the form and content of share certificates and the dividend coupons and the renewal talons. The right of a shareholder to request certification of its interest is excluded, unless such certification is required by the rules of a stock exchange where the shares are listed. Global share certificates may be issued. The shares are freely transferable.

The shares of the Issuer are represented by global share certificates. The global share certificates are deposited at Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany.

IV. Change in the Share Capital

1. General Provisions under German law

a) Capital Increase

Share capital of a German stock corporation (*Aktiengesellschaft*) can be increased by a shareholder resolution, which requires a majority of at least three-quarters of the share capital represented at the time the resolution is adopted, to the extent no other majority requirements are stipulated in the stock corporation's articles of association (Section 182(1) AktG). The Issuer exercised its right to stipulate a smaller majority. In accordance with Article 24 (1) of the Issuer's Articles of Association, all resolutions of the General Shareholders' Meeting require a simple majority of the share capital represented at the time the resolution is adopted, unless statutory law requires a different majority.

b) Authorised Capital

Furthermore, the General Shareholders' Meeting may adopt a resolution, with a majority of at least three-quarters of the share capital represented at the time the resolution is adopted, to issue authorised capital, which authorises the Management Board to issue shares within a period of not more than five years following the registration of the amendment of the Articles of Association. The Articles of Association may provide for a larger majority and other requirements. The nominal value of the authorised capital may not exceed half of the share capital existing at the time of the authorization.

c) Contingent Capital

The General Shareholders' Meeting may also resolve to issue contingent capital for the purpose of issuing shares to the holders of convertible bonds or other securities which grant a subscription right, or for the purpose of issuing shares that serve as consideration for a merger with another company, or for the purpose of issuing shares which are to be offered to executive managers and employees. According to the German Stock Corporation Act, such resolution of the General Shareholders' Meeting requires a majority of three-quarters of the share capital represented at the time the resolution is adopted. The nominal value of the contingent capital may not exceed one tenth of the share capital existing at the time of the resolution if the contingent capital is created to issue shares to executive managers and employees; in all other cases, it may not exceed half of the share capital existing at the time the resolution is adopted.

d) Capital Reduction

In accordance with the German Stock Corporation Act, a reduction of the share capital may be resolved. In general, the German Stock Corporation Act stipulates that such a resolution requires a majority of three-quarters of the share capital represented at the resolution. The articles of association may provide for a larger majority and further requirements.

2. Authorised Capital 2018/I

Pursuant to the Issuer's Articles of Association, the Management Board is authorised to increase the share capital of the company on one or more occasions until 25 September 2023 with the approval of the Supervisory Board by up to EUR 11,971,377 in total by issuing new no-par value bearer shares against cash contributions and/or contributions in kind (*Authorised Capital 2018/I*).

Shareholders are entitled to subscription rights. In accordance with section 186(5) AktG, the new shares can also be acquired by a credit institution or a company operating pursuant to section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the German Banking Act (*Kreditwesengesetz*, "**KWG**"), subject to an obligation to offer them to the shareholders for subscription.

However, the Management Board is authorised to exclude the subscription rights of the shareholders with the approval of the Supervisory Board in capital increases. The exclusion of subscription rights is only admissible in the following cases:

- for the compensation of fractional amounts;
- in order to issue shares as employee shares to members of the Management Board, members of the management of affiliated enterprises of the company, employees of the company and/or employees of affiliated enterprises of the company;
- in capital increases in exchange for contributions in kind for the purpose of the (also indirect) acquisition of enterprises or parts of enterprises, of other material working assets or other assets;
- to the extent necessary in order to grant the holders of bonds with conversion or option rights or a conversion obligation that have been issued, at the time of exercise of the Authorised Capital 2018/I, or will be issued in the future, by the company or its group companies a subscription right for new shares to the extent to which they would have been entitled after exercising their conversion or option right or after fulfilling a conversion obligation;
- if the issue amount of the new shares in cash capital increases, at the time of the definitive determination of the issue amount, is not significantly lower than the stock exchange price of the shares already issues and the shares issued do not exceed, neither at the time the Authorised Capital 2018/I comes into effect nor at the ime when it is exercised, in total, 10% of the share capital. Towards this limit, shares are accounted for which, during the time period of the Authorised Capital 2018/I and until the point in time when it is exercised, are sold or issued or are to be issued on the basis of other authorizations subject to the exclusion of subscription rights in accordance with section 186(3) sentence 4 AktG, applied directly or mutatis mutandis;
- for the implementation of a scrip dividend under which shareholders are offered to contribute to the company, in whole or in part, their dividend claim as contribution in kind against the issuance of new shares from the Authorised Capital 2018/I.

The Management Board is further authorised to define, with the approval of the Supervisory Board, the further content of the share rights and the terms and conditions of the share issue.

3. Contingent Capital 2015/I

The share capital of the company is increased by up to EUR 19,750,097 through the issue of up to 19,750,097 new no-par bearer shares (*Contingent Capital 2015/I*). The Contingent Capital 2015/I is used exclusively to grant new shares to the holders of conversion or option rights that are issued in accordance with the authorisation resolution of the General Shareholders' Meeting of 30 June 2015 under item 8) of the agenda by Senator (after the change of name to Wild Bunch AG) or by companies in which Senator (after the change of name to Wild Bunch AG) becomes effective directly or indirectly holds a majority interest. The shares are issued at the conversion or option price to be determined under the terms of the resolution indicated above. The contingent capital increase is implemented only if the holders of the conversion or option rights make use of the conversion or option rights or fulfil conversion obligations arising from bonds of this kind. The shares participate in the profits, if they are created by the beginning of the General Shareholders' Meeting of the company, from the beginning of the previous financial year, otherwise from the beginning of the financial year in which they are created.

4. Stock Option Plan

The Issuer does not provide a stock option plan.

5. Own Shares

As of the date of the Prospectus, the Issuer held 60 treasury shares with a nominal value of EUR 60, or around 0.0003% of the share capital.

16. ADMISSION TO TRADING

I. Admission to Trading

Application has been made for the admission to trading of 21,898,680 New Shares of the Issuer on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), each of such New Shares issued pursuant to two capital increases resolved by the Issuer's general shareholder meeting dated 26 September 2018 ("**Admission to Trading**").

The New Shares are no-par value bearer shares of the Issuer, each with a notional interest of EUR 1.00 in the share capital and carrying full dividend rights as from 1 January 2019. The shares have ISIN DE000A2TSLZ0 and the WKN A2TSLZ.

The New Shares are expected to be admitted to trading on or about 1 June 2019. Trading of the New Shares on the Frankfurt Stock Exchange is expected to commence on or about 1 June 2019.

II. Reasons of the Admission to Trading

The Issuer intends to list the New Shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange to achieve better access to the capital markets and enhance liquidity in favour of its shareholders of the New Shares.

III. Costs of the Admission to Trading

The total expense of the Issuer related to the admission to trading of the New Shares are expected to total approx. EUR 602,527, consisting of EUR 8,540 admission fee for the Frankfurt Stock Exchange, EUR 218,987 for listing services of Quirin Bank, approx. EUR 280,000 for legal services and EUR 95,000 for audit services.

Investors will not be charged expenses by the Issuer or Quirin Bank. Investors may have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

IV. Designated Sponsors

ODDO SEYDLER BANK AG has been mandated as designated sponsor of the Issuer's shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Pursuant to the designated sponsor agreement between the designated sponsor and the Issuer, the designated sponsors will at its sole discretion, among other things, place limited buy and sell orders for the Issuer's shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Issuer's shares.

V. Lock-up Agreement

From 16 April 2019 until the date falling six months after the Admission to Trading has expired (the "**Restricted Period**"), Voltaire will neither directly nor indirectly, without the prior written consent of Quirin Bank:

- offer, pledge, allot, distribute, sell, contract to sell, market, transfer or otherwise dispose of any Shares held by Voltaire ("**Restricted Shares**");
- grant, issue or sell any option or conversion rights on any Restricted Shares of WBAG
- purchase any option to sell, grant any option, right or warrant to purchase, transfer to another person or otherwise dispose of, directly or indirectly any Restricted Shares;
- vote in favour of a proposed increase of the share capital of WBAG (including authorised capital);
- vote in favour of a proposed issuance (or authorization of the management board to effect such issuance) of financial instruments constituting or including options or warrants convertible into or entitling to receive delivery of Shares;
- enter into a transaction or perform any action economically similar to those described above, in particular enter into any swap or other agreement that transfers to another person, in whole or in part, the economic risk of ownership of Restricted Shares, whether any such transaction is to be settled by delivery of Restricted Shares, in cash or otherwise,

in each case other than for the purposes of the admission to trading and other than the pledge over the Restricted Shares pursuant to a share pledge agreement dated 29 March 2019 between Voltaire Fiance B.V. as pledgor and TMF Trustee Services GmbH as security trustee for the bondholders of the EUR 200,000,000 7.00 per cent. senior secured bonds due 26 July 2023 issued by Voltaire Finance B.V. Quirin Bank will not unreasonably withhold or delay their consent.

The restrictions set out above shall terminate automatically if the Admission to Trading does not take place prior to 31 December 2019 or on such earlier date on which the Management Board and/or the Supervisory Board decide or resolve to cancel the Admission to Trading.

By virtue of an amendment agreement dated 28 May 2019, 4,379,736 of the Restricted Shares were released from the restrictions set out in such lock-up agreement.

VI. Interests material to the Listing

Quirin Bank is acting for the Issuer in connection with the listing of the New Shares. As they receive a fee for its services in connection with the listing, Quirin Bank has a financial interest in the listing.

Quirin Bank as a full service financial institution is continuously engaging in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. Therefore, Quirin Bank has, and may from time to time in the future continue to have, business relations with the Issuer or its affiliated companies or the major shareholder of the Issuer or may perform services for the Issuer or its affiliated companies in the ordinary course of business for which they have received or may receive customary fees and commissions.

Except for the aforementioned interests, there are no interests, conflicting interests or potential conflicting interests which are material to the listing.

17. RECENT DEVELOPMENTS AND OUTLOOK

I. Recent Developments

In 2018, the Issuer has developed a concept for its restructuring which includes operational measures as well as measures for the financial restructuring of the Issuer and its French subsidiaries. Between the 31 December 2018 and the date of this Prospectus the completion of the two Debt Equity Swaps I and II (see "*8. Restructuring of the Wild Bunch Group*") took place.

On 14 March 2019, the completion (*Durchführung*) of the capital increase by EUR 3,600,000 against contributions in kind (*Sacheinlagen*) in the form of all 2016/2019 8% notes in the aggregate nominal amount of EUR 18,000,000 as issued by the Issuer in 2016 was registered with the commercial register.

On 12 April 2019, the completion (*Durchführung*) of the capital increase by EUR 18,298,680 against contributions in kind (*Sacheinlagen*) in the form of various claims originally stemming from credit agreements with French banks and investment agreements with French film and media industry funding companies entered into by Wild Bunch S.A. and other French subsidiaries was registered with the commercial register.

Moreover, the Issuer will further implement the operational measures in 2019 (see "*8. Restructuring of the Wild Bunch Group*"). With regard to the optimization of structures, Senator Film München GmbH sold its stake of Bavaria Pictures GmbH for an amount that was not material.

On 13 May 2019, the Issuer's majority shareholder (Voltaire) and the Issuer entered into a EUR 26,455,981.81 shareholder loan agreement which summarized, restructured and replaced existing French debt of certain Wild Bunch Group companies from past film projects. In addition, Voltaire and the Issuer entered into a further EUR 40,000,000 working capital and acquisition credit facility, which replaced an existing EUR 27,000,000 bridge loan.

The Issuer is in ongoing negotiations with financial institutions concerning additional financing. In particular, the RCF with Bank Leumi (UK) plc as creditor shall be replaced by a replacement financing under more favorable terms. As of the date of this Prospectus, the respective financial institution confirmed the internal credit approval. However, the specific terms are still subject to negotiations and the Issuer did not enter into any credit agreement yet.

Except as described above, there have been no significant changes to our financial position, financial performance, cash flows or trading position between 31 December 2018 and the date of this Prospectus.

II. Outlook

The following outlook relates to the Group EBIT of Wild Bunch AG, Berlin ("profit forecast"). It does not constitute a description of facts and should not be construed as such by potential investors. Rather, it is a statement about the expectations of the company's management for the Group EBIT of Wild Bunch AG.

Profit forecasts are directed towards the future and are naturally subject to considerable uncertainty. The Issuer's earnings forecast is based on current assumptions, expectations and plans made by the Issuer's management as set out below regarding future uncertain events, developments and actions and the information currently available. These assumptions, expectations and projections are based on factors that can be influenced (albeit to a limited extent) and not influenced by the Issuer. Although the Issuer believes that these assumptions have been made to the best of its management's knowledge at the time the profit forecast is made, the profit forecast and the forward-looking assumptions contained therein are subject to risks and uncertainties that could cause actual events and results to differ materially from the profit forecast or the assumptions underlying it and that the assumptions subsequently prove to be incorrect or unfounded.

Should one or more of the assumptions prove to be incorrect or unfounded, the Issuer's actual results could differ materially from those projected. Potential investors should therefore not be unreasonably guided in their investment decisions by the profit forecast.

1. Statement by the Issuer on the Profit Forecast for the 2019 Financial Year

For the financial year 2019, the Issuer expects consolidated EBIT to be in the range of EUR -2,000,000 to EUR -4,000,000 before non-recurring effects in connection with restructuring measures. These special effects include the result of the capital increases through contributions in kind carried out in March and April

2019, as well as costs in connection with the refinancing of the outstanding financial liabilities to Bank Leumi planned for 2019 and the simplification and streamlining of the Group structure.

a) Notes on the Profit Forecast

The profit forecast is based on historical financial information derived from the audited and unqualified consolidated financial statements of Wild Bunch AG as of 31 December 2018 and more recent findings based on current developments in the current 2019 financial year. The profit forecast was prepared in accordance with the guidelines of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e.V. – "**IDW**") on the preparation of profit forecasts and estimates in accordance with the specific requirements of the regulation on prospectuses (IDW AcPS AAB 2.003) (the **"IDW Accounting Practice Statements"**).

The accounting principles and methods used to prepare the profit forecast correspond to those applied in the audited and unqualified consolidated financial statements of Wild Bunch AG as of 31 December 2018.

b) Factors and Assumptions influencing the Profit Forecast

The profit forecast is influenced by a number of factors and is based on certain assumptions that are set out below.

c) Non-influenceable Factors

The profit forecast for the current financial year 2019 is subject to factors over which the companies of the Wild Bunch Group have no influence. These factors and the Issuer's related assumptions are set forth below:

Factor: Unforeseen Events such as Force Majeure

In preparing its profit forecast, the Issuer has assumed that no material unforeseen events will occur that could cause significant or prolonged disruption to the business of the Wild Bunch Group in the current financial year 2019, including force majeure (e.g. fire, flood, hurricane, storm, earthquake or terrorist attack), strikes, extraordinary macroeconomic events or war.

Factor: Price Development of and Demand for Audiovisual Content

The development of the achievable revenues from the sale of the audiovisual content produced and acquired by the Wild Bunch Group and the demand for these products are subject to changes over which the Issuer has no control. When preparing the profit forecast, the Issuer assumed that the current price level for the assets to be sold and demand will remain stable in the current 2019 financial year.

Factor: Economic Development of the Filmed Entertainment Industry

When preparing the profit forecast for the current 2019 financial year, the Issuer assumed that

- there will be no negative economic development in Europe;
- there will be no negative development in the filmed entertainment industry, especially in Europe; and
- the company can maintain its current competitive position.

Factor: Interest Rate Development

When preparing the profit forecast, the Issuer assumed that the current interest rate level will remain stable in the current 2019 financial year.

Factor: Legislative and Other Regulatory Measures

When preparing the profit forecast, the Issuer assumed that there would be no or only insignificant changes to the existing legal framework in the current 2019 financial year and that there would be no material changes to the law, e.g. in the subsidy guidelines.

Factor: Income Tax Expense

The Issuer has no influence on the actual income tax charges. The Issuer assumes that income tax rates will remain unchanged and that no further changes in the tax environment or tax law will occur in fiscal year 2019.

d) Factors with Limited Influence

In addition, the profit forecast for the current financial year 2019 is subject to factors over which the companies of the Wild Bunch Group have a limited influence. These factors and the Issuer's related assumptions are set forth below:

Factor: Completion and Release Date of the Films and Series

The progress and thus also the release date of individual films and series intended for exploitation can only be influenced to a limited extent by the Issuer and depend on a number of factors. When preparing the profit forecast, the Issuer assumed that there would be no significant delays in the completion and delivery of planned projects in the current 2019 financial year, so that these revenues can be recognised in the Issuer's income statement.

Factor: Planned Investments in Films and TV Series

The sales revenues of the Wild Bunch Group are expected to increase due to the disproportionately stronger growth in investments in audiovisual content. However, the timing of the planned investments and the amount of revenues generated by the investments are uncertain and can only be planned to a limited extent. In addition, the Issuer has only limited influence on the availability of film and TV series projects on the market. The time of release and sale of the planned films and TV series, which may differ, also influence the amount of revenues that can actually be realized and is only taxable to a limited extent by the Issuer.

Factor: Planned Proceeds from the exploitation and sale of Films and TV Series

The actual revenues that can be generated from individual films and TV series may differ from the planned revenues generated from their exploitation and sale. This factor can only be influenced to a limited extent by the Issuer and depend on a number of factors, including public preference. When preparing the profit forecast, the Issuer assumed that the planned revenues would be achieved in the budgeted amount.

Factor: Development of Costs for Productions and Acquisitions

When preparing the profit forecast, the Issuer assumed that the budgeted production and acquisition costs of the films and TV series intended for sale would not increase above plan due to unforeseen circumstances or events. Production and acquisition costs for audiovisual content can only be influenced by the Issuer to a limited extent.

Factor: Financial Costs

For the 2019 financial year, the Issuer expects financing costs to be higher than in the previous year, primarily due to the financial restructuring and the associated new shareholder loans, which carry higher interest rates than comparable bank loans.

For the profit forecast, the Issuer assumes that

- all credit agreement covenants are met;
- the interest rate risk remains low;
- the liquidity risk remains low as the Issuer assumes that sufficient liquid funds will be available; and
- the financing conditions of current financing agreements can be maintained or improved in the event of loan extensions and renewals.

Factor: Overhead Costs

When preparing the profit forecast, the Issuer assumed that the expected growth would not lead to a correlating increase in personnel expenses in the current 2019 financial year.

The Wild Bunch Group assumes that the personnel for the planned growth of the company will be available to the required extent and quality.

Likewise, it does not anticipate any corresponding increase in other operating expenses or administrative expenses.

d) Factors that can be Influenced Entirely

There are no factors that the Issuer can entirely influence.

e) Other Notes

The profit forecast does not take into account extraordinary results and results from non-recurring activities and extraordinary tax charges as defined in the IDW Accounting Practice Statements.

2. Auditor’s Report on the profit forecast

To Wild Bunch AG, Berlin

We have audited whether the profit forecast of the Adjusted EBIT of the group of companies comprising Wild Bunch AG, Berlin, (hereinafter also the "Company" and, together with its direct and indirect subsidiaries, the "Group") for the period from 1 January 2019 to 31 December 2019 prepared by the company, has properly been compiled on the basis stated in the explanatory notes to the profit forecast and whether this basis is consistent with the accounting policies of the Company. The profit forecast comprises the forecast Adjusted EBIT of the group for the period from 1 January 2019, to 31 December 2019, and the explanatory notes thereto.

The preparation of the profit forecast including the factors and assumptions presented in the explanatory notes to the profit forecast is the responsibility of the Company’s management.

Our responsibility is to express an opinion based on our audit on whether the profit forecast has properly been compiled on the basis stated in the explanatory notes to the profit forecast and whether this basis is consistent with the accounting policies of the Company. Our engagement does not include an audit of the assumptions identified by the Company and underlying the profit forecast.

We conducted our audit in accordance with IDW Prüfungshinweis: Prüfung von Gewinnprognosen und -schätzungen i.S.v. IDW RH HFA 2.003 (IDW PH 9.960.3) (IDW Auditing Practice Statement: The Audit of Profit Forecasts and Estimates in accordance with IDW AcPS AAB 2.003 (IDW AuPS 9.960.3)) issued by the Institut der Wirtschaftsprüfer in Germany e.V. (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that material errors in the compilation of the profit forecast on the basis stated in the explanatory notes to the profit forecast and in the compilation of this basis in accordance with the accounting policies of the Company are detected with reasonable assurance.

As the profit forecast relates to a period not yet completed and has been prepared on the basis of assumptions about future uncertain events and actions, it naturally entails substantial uncertainties. Because of these uncertainties it is possible that the actual EBIT of the Group for the period from 1 January 2019, to 31 December 2019, may differ materially from the forecast profit.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on the findings of our audit, the profit forecast has properly been compiled on the basis stated in the explanatory notes to the profit forecast. This basis is consistent with the accounting policies of the Company.

Berlin, 5 May 2019

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Udo Heckeler	Frank Pannewitz
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

18. TAXATION IN GERMANY

The following section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of shares. It is important to note that the legal situation may change, possibly with retroactive effect. This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. In particular, this summary does not cover tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. This presentation is based upon domestic German tax laws in effect as of the date of this Prospectus and the provisions of double taxation treaties currently in force between Germany and other countries.

This section does not replace the need for individual shareholders to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares and what procedures are necessary to secure the repayment of German withholding tax (Kapitalertragsteuer), if possible. Only qualified tax advisors are in the position to adequately consider the particular tax situation of individual shareholders.

I. Taxation of the Issuer

The Issuer's taxable income, whether distributed or retained, is generally subject to German corporate income tax at a uniform rate of 15% plus solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 15.825%.

Dividends and certain other shares in profits which the Issuer receives from domestic and foreign corporations are generally not subject to corporate income tax; however, 5% of this type of income are deemed to be a non-deductible business expense and are thus taxable. Different rules apply to free-floating dividends i.e., dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the respective calendar year ("**Portfolio Dividends**"). Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% is deemed to have occurred at the beginning of the calendar year. Capital gains of the Issuer from the sale of shares in another domestic or foreign corporation are also generally effectively 95% tax exempt, regardless of the percentage of shares held. Losses incurred from the sale of such shares are not deductible for tax purposes. In certain situations, the 95% tax exemptions for dividends and capital gains might not be achievable if the shares concerned were acquired before 1 January 2018 with the aim of achieving short-term proprietary trading profits.

Participations in the share capital of other corporations which the Issuer holds through partnerships, including co-entrepreneurships (*Mitunternehmerschaften*), are attributable to the Issuer only on a pro rata basis at the ratio of the interest share of the Issuer in the assets of relevant partnership.

In addition, the Issuer is subject to trade tax with respect to its taxable trade profits from its permanent establishments in Germany.

The trade tax rate depends on the local municipalities in which the Issuer maintains its permanent establishments. For the Issuer, the trade tax burden currently amounts to 14.35% of the taxable trade profit.

For trade tax purposes, dividends received from domestic and foreign corporations and capital gains from the sale of shares in other corporations are treated in principle in the same manner as for corporate income tax purposes. However, dividends and certain other shares in profits received from domestic and foreign corporations are effectively 95% exempt from trade tax only if, among other things, the company that is receiving the dividends has held or holds a stake of at least 15% in the share capital of the company making the distribution at the beginning or–in the case of foreign corporations–since the beginning of the assessment period. In the case of distributing companies domiciled in another member state of the European Union, a stake of 10% at the beginning of the assessment period is sufficient. Additional limitations apply with respect to shares in profits received from foreign non-EU corporations.

The provisions of the interest barrier (*Zinsschranke*) restrict the extent to which interest expenses are tax deductible. Under these rules, net interest expense (the interest expense minus the interest income in a fiscal year) is generally only deductible up to 30% of the taxable EBITDA (taxable earnings particularly adjusted for interest costs, interest income, and certain depreciation and amortization), although there are certain exceptions to this rule. The interest barrier rules do not apply in a given year (i) if the annual net interest expense is less than EUR 3 million, (ii) if the respective entity is not or only partially part of a consolidated group, or (iii) if the respective entity is part of a consolidated group but its equity ratio is not more than 2%-points below the equity ratio of the consolidated group. For the eligibility of exemption (ii), the entity must prove that it did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in the entity of more than 25% or to an associated person. For the eligibility of exemption (iii), the entity must prove that the entity itself and any other company of the consolidated group did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in a group company of more than 25% or to an associated person. Interest expense that is not deductible in a given year may be carried forward to subsequent fiscal years of the Issuer (interest carryforward) and will increase the interest expense in those subsequent years. Under certain conditions, non-offsettable EBITDA can also be carried forward to subsequent years (EBITDA carryforward). For the purpose of trade tax, however, the deductibility of interest expenses is further restricted to the extent that the sum of certain trade taxable add back items exceeds EUR 100,000, since in such cases 25% of the interest expenses, to the extent they were deducted for corporate income tax purposes, are added back for purposes of the trade tax base; consequently, in these cases the deductibility is limited to 75% of the interest expenses.

The provisions of the license barrier (*Lizenzschranke*) restrict the extent to which license fees or royalties are tax deductible. Under these rules, the deduction of license fees or royalites is (partially) limited if (i) these payments are made to a foreign related party and (ii) these payments are subject to an effective taxation of less than 25% under a "preferential tax regime" for intellectiual property rights in the jurisidiction of the related party. The term "related party" refers to situations in which (i) a person holds a direct or indirect share of at least 25% of another person, (ii) a person can exercise a dominating influence over another person, or (iii) a third person owns a direct or indirect participation of at least 25% in both relevant parties. If these conditions are fulfilled, the deduction is limited in proportion of (i) the difference between the effective foreign tax rate and the regular tax charge of 25% to (ii) the regular tax charge of 25%. For example, if the foreign tax rate amounts to 12.5%, 50% of the license expenses will be tax deductible in Germany. The license barrier does not apply if the low taxation of license fees and royalties of less than 25% in the jurisdicition of the recipient is resulting from a preferential regime which requires that the recipient has developed the respective intellectual property in line with the so-called OECD nexus approach.

Losses of the Issuer can be carried forward in subsequent years and used to fully offset taxable income for corporate income tax and trade tax purposes only up to an amount of EUR 1 million. If the taxable income for the year or taxable profit subject to trade taxation exceeds this threshold, only up to 60% of the amount exceeding the threshold may be offset by tax loss carryforwards. The remaining 40% are subject to tax (minimum taxation). The rules also provide for a tax loss carryback of an amount up to EUR 1 million to the previous year with regards to corporate income tax. Unused tax loss carryforwards can generally continue to be carried forward without time limitation.

If more than 50% of the subscribed capital or voting rights of the Issuer are transferred to an acquirer (including parties related to the acquirer) within five years directly or indirectly or a comparable acquisition occurs, all unused current losses and tax loss carryforwards as well as interest carryforwards are forfeited (detrimental change in ownership). A group of acquirers with aligned interests is also considered to be an acquirer for these purposes. In addition, any current year losses incurred prior to the acquisition will not be deductible. This does not apply to share transfers if (i) the purchaser directly or indirectly holds a participation of 100% in the transferring entity, (ii) the seller indirectly or directly holds a participation of 100% in the receiving entity, or (iii) the same natural or legal person or commercial partnership directly or indirectly holds a participation of 100% in the transferring and the receiving entity. Furthermore, tax loss carryforwards, unused current losses and interest carryforwards taxable in Germany will not forfeit to the extent that they are covered by built in gains taxable in Germany at the time of such acquisition. There is also no detrimental change in ownership if the shares are acquired with the aim of preventing or eliminating insolvency or over-indebtedness and at the same time maintaining the essential business structures. In addition, any share transfer that would otherwise be subject to the rules above does not result in forfeiture of tax loss carryforwards resulting from current business operations (*Geschäftsbetrieb*) of the Issuer, if the current business operations of the Issuer remained the same (i) from the time of its establishment; or (ii) during the last three business years prior to the share transfer and such business operations are maintained after the transfer. The determination of whether the business operations have been maintained is assessed on the basis of qualitative factors, such as the produced goods and services, target markets, client and supplier bases, etc. However, the tax loss carryforwards will be forfeited in any circumstance if, after the share transfer, the business operations of the Issuer became dormant or are amended, the Issuer becomes a partner in an operating partnership (*Mitunternehmerschaft*), the Issuer becomes a fiscal unity parent, or assets are transferred from the Issuer and recognized at a value lower than the fair market value. This requirement is monitored until the retained tax loss carryforwards have been fully utilized.

II. Taxation of Shareholders

Shareholders are taxed in particular in connection with the holding of shares (taxation of dividend income), upon the sale of shares (taxation of capital gains) and the gratuitous transfer of shares (inheritance and gift tax).

1. Taxation of Dividend Income

In the future, the Issuer may pay dividends out of a tax recognized contribution account (*steuerliches Einlagenkonto*). To the extent that the Issuer pays dividends from the tax-recognized contribution account (*steuerliches Einlagenkonto*), the dividends are not subject to withholding tax, personal income tax (including the solidarity surcharge and church tax, if any) or corporate income tax, as the case may be. However, dividends paid out of a tax-recognized contribution account lower the acquisition costs of the shares, which may result in a higher amount of taxable capital gain upon the shareholder's sale of the shares. Special rules apply to the extent that dividends from the tax-recognized contribution account exceed the then lowered acquisition costs of the shares (the details are outlined below).

a) Withholding Tax

Dividends distributed by the Issuer that are not paid out of the tax-recognized contribution account (*steuerliches Einlagenkonto*) are subject to a deduction at source (withholding tax) at a 25% rate plus a solidarity surcharge of 5.5% on the amount of withholding tax (amounting in total to a rate of 26.375%) and church tax (*Kirchensteuer*), if applicable. The basis for determining the dividend withholding tax is the dividend approved for distribution by the Issuer's General Shareholders' Meeting.

In general, dividend withholding tax is withheld regardless of whether and, if so, to what extent the shareholder must report the dividend for tax purposes and regardless of whether the shareholder is a resident of Germany or of a foreign country.

As the Issuer's shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 of the German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such central securities depository for collective safe custody in Germany, the Issuer is not responsible for withholding the withholding tax; rather, it is, for the account of the shareholders, the responsibility of one of the following entities in Germany authorised to collect withholding tax to do so and to remit it to the relevant tax authority: (i) a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks or financial service institutes) that holds the shares in custody or that manages them and that pays out or credits the shareholders' investment income or that pays the investment income to a foreign entity, or (ii) the central securities depository holding the collective deposit shares in custody if it pays the investment income to a foreign entity and (iii) the Issuer itself if and to the extent shares held in collective safe custody (*girosammelverwahrt*) by the central securities depository (*Wertpapiersammelbank*) are treated as stock being held separately (so-called "*abgesetzte Bestände*").

The Issuer assumes responsibility for the withholding of taxes on distributions at source, in accordance with statutory provisions. This means that the Issuer is released from liability for the violation of its legal obligation to withhold and transfer the taxes at source if it provides evidence that it has not breached its duties intentionally or grossly negligently.

Where dividends are distributed to a corporation resident in another member state of the EU within the meaning of Article 2 of the EC Directive 2011/96/EU of November 30, 2011, as amended (the "**Parent- Subsidiary Directive**"), the withholding of the dividend withholding tax may not be required, upon application, provided that additional requirements are met (withholding tax exemption). This also applies to dividends distributed to a permanent establishment located in another EU Member State of such a parent company or of a parent company that is tax resident in Germany if the interest in the dividend-paying subsidiary is part of the respective permanent establishment's business assets. An important prerequisite for the exemption from withholding at source under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the Issuer's registered share capital continuously for one year and that the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) has certified by an exemption certificate (*Freistellungsbescheinigung*) to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed form, that the prerequisites for exemption have been met. Such exemption certificate is generally issued for a maximum period of 3 years, and it comes into force at the earliest on the date on which the request for a tax exemption is received by the Federal Central Tax Office.

The dividend withholding tax rate for dividends paid to other shareholders without a tax residence in Germany will be reduced in accordance with the applicable double taxation treaty, if any, between Germany and the shareholder's country of residence, provided that the shares are neither held as part of the business assets of a permanent establishment or a fixed base in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the dividend withholding tax is generally obtained by applying to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which is usually 5-15%. A full exemption from German dividend withholding tax may also be possible under certain applicable double taxation treaty, if the shareholder has directly held at least 10% of the Issuer's registered share capital and if further prerequisites are met. Corporate shareholders can also file an application with the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) on the officially prescribed form for the issuance of an exemption certificate (*Freistellungsbescheinigung*), which documents that the prerequisites for the application of the reduced withholding tax rates under the applicable double taxation treaty have been met. Such exemption certificate is issued for a maximum period of 3 years, and it comes into force at the earliest on the date on which the request for a tax exemption is received by the Federal Central Tax Office. All dividends paid to the relevant corporate shareholder and covered by the exemption certificate are only subject to the reduced withholding tax rates stipulated in the exemption certificate; a refund procedure is not required in such cases. Forms for the refund and exemption procedure may be obtained from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, http://www.bzst.bund.de), as well as German embassies and consulates.

Corporations that are not tax residents in Germany will receive upon application a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. This applies regardless of any further reduction or exemption provided under the Parent-Subsidiary Directive or a double taxation treaty.

Foreign corporations will generally have to meet certain stringent substance criteria defined by statute in order to receive an exemption from or (partial) refund of German dividend withholding tax.

Pursuant to a special rule on the restriction of withholding tax credit, the above mentioned relief in accordance with the applicable double taxation treaty as well as the credit of withholding tax described in the section "*Taxation of Dividends of Shareholders with a Tax Residence in Germany*" below for shares held as private and as business assets is subject to the following three cumulative prerequisites: (i) the shareholder must qualify as beneficial owner of the shares in the Issuer for a minimum holding period of 45 consecutive days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear at least 70% of the change in value risk related to the shares in the Issuer during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder must not be required to fully or largely compensate directly or indirectly the dividends to third parties. Should one of the three prerequisites not be fulfilled, the following applies:

- As regards the taxation of dividends of shareholders with a tax residence in Germany, three fifths of the withholding tax imposed on the dividends must not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax due to a tax exemption without qualifying for a full tax credit has to notify the competent local tax office accordingly and has to make a payment in the amount of the withholding tax deduction which was omitted. The special rule on the restriction of withholding tax credit does not apply to a shareholder whose overall dividend earnings within an assessment period do not exceed EUR 20,000 or that has been the beneficial owner of the shares in the Issuer for at least one uninterrupted year upon receipt of the dividends.

- As regards the taxation of dividends of shareholders without a tax residence in Germany who applied for a full or partial refund of the withholding tax pursuant to a double taxation treaty, no refund is available. This restriction does not apply to a shareholder (i) that holds directly at least 10% of the shares in the Issuer and that is subject to (corporate) income tax in the country of its tax residence without any exemptions, (ii) or that has been the beneficial owner of the shares in the Issuer for at least one uninterrupted year upon receipt of the dividends, or (iii) if the applicable tax rate pursuant to the applicable double taxation treaty is at least 15%.

b) Tax Residence in Germany

The dividend income of shareholders with a tax residence in Germany is taxed based on the following considerations:

i) Individuals who hold the Shares as Private Assets

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold shares as private assets, the withholding tax of 25% plus solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 26.375% (plus church tax, if any) will generally serve as a final tax. In other words, once deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his or her annual tax return (the "**Flat Tax**"). Pursuant to reports from March 2019, the German Ministry of Finance is currently examining whether the Flat Tax should (also) be abolished for dividend income, which may result in the taxation of dividends at the individual's personal income tax rate.

The purpose of the Flat Tax is to provide for separate and final taxation of capital investment income earned; in other words, taxation that is irrespective of the individual's personal income tax rate. Shareholders may apply to have their capital investment income assessed in accordance with the general rules and with an individual's personal income tax rate if this would result in a lower tax burden. In this case, the base for taxation would be the gross dividend income less the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals). Any tax and solidarity surcharge already withheld would be credited against the income tax and solidarity surcharge so determined and any overpayment refunded. Income-related expenses cannot be deducted from capital gains in either case. The only deduction that may be made is the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals) on all private capital income. Furthermore, dividend income can only be offset by losses from capital income, except for losses generated by the disposal of shares.

If the individual owns (i) at least 1% of the shares in the Issuer and is able to exercise, by virtue of professional activity (*berufliche Tätigkeit*) for the Issuer, a significant entrepreneurial influence on the business activity of the Issuer or (ii) at least 25% of the shares, the tax authorities may approve upon application that the dividends are taxed under the partial-income method (see below "*ii) Individuals who hold the Shares as Business Assets*").

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the dividends is deducted from the withholding tax (including the solidarity surcharge) withheld. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his or her dividends in his or her income tax return. The church tax on the dividends will then be imposed during the assessment.

As an exemption, dividend payments that are funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as private assets, do–contrary to the above–not form part of the shareholder's taxable income. If the dividend payment funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the shareholder's acquisition costs, negative acquisition costs will arise which can result in a higher capital gain in case of the shares' disposal (cf. below). This will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1% of the share capital of the Issuer (a "**Qualified Participation**") and (ii) the dividend payment funded from the Issuer's tax-recognized contribution account (steuerliches Einlagekonto) exceeds the acquisition costs of the shares. In such a case of a Qualified Participation, a dividend payment funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) is deemed a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in the section "*Taxation of Capital Gains*" made with regard to shareholders maintaining a Qualified Participation.

ii) Individuals who hold the Shares as Business Assets

The Flat Tax does not apply to dividends from shares held as business assets of a sole proprietor (individual) who is tax resident in Germany. Instead, 40% of any dividend is generally tax exempt whereas the remaining 60% are subject to tax at the shareholder's personal income tax rate plus solidarity surcharge of 5.5% thereon (so called partial income method). Only 60% of the expenses economically related to the dividends are tax deductible. The partial income method will also apply when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares through partnerships that are neither commercial partnerships nor deemed to be commercial partnerships). However, the partial-income method does not apply with respect to church tax (if applicable). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the taxpayer held at least 15% of the Issuer's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the net dividends (after deducting directly related expenses) are exempt from trade tax. However, trade tax is generally credited–fully or in part–as a lump sum against the shareholder's personal income tax liability.

Dividend payments that are funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholder. To the extent the dividend payments funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in the section "Taxation of Capital Gains" made with regard to shareholders whose shares are held as business assets.

iii) Corporations

Dividends received by corporations tax residents in Germany are generally exempt from corporate income tax and solidarity surcharge; however 5% of the dividends are treated as a non-deductible business expenses and, as such, are subject to corporate income tax (plus solidarity surcharge thereon) with a total tax rate of 15.825%.

Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% during a calendar year is deemed to have occurred at the beginning of the respective calendar year. Participations which a shareholder holds through a commercial partnership are attributable to the shareholder only on a pro rata basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Business expenses actually incurred and having a direct business relationship to the dividends may be fully deducted.

The amount of any dividends (after deducting business expenses related to the dividends) is fully subject to trade tax, unless the corporation held at least 15% of the Issuer's registered share capital at the beginning of the relevant tax assessment period, entitling it to an intercorporate privilege for trade tax purposes. In the latter case, the aforementioned exemption of 95% of the dividend income applies analogously for trade tax purposes.

Special rules apply to dividends received by corporations active in the financial and insurance sectors, as well as pension funds (see below, "*3. Special Treatment of Corporations in the Financial and Insurance Sectors and Pension Funds*").

iv) Partnerships

If the shareholder is a partnership, the personal income tax or corporate income tax, as the case may be, and the solidarity surcharge are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, then the dividend is generally 95% tax exempt; however, dividends from an indirect shareholding representing less than 10% of the share capital for the relevant partner are fully subject to taxation (see above, "*iii) Corporations*"). If the partner is an individual and the shares are held as business assets of the partnership, only 60% of the dividend income is subject to income tax; in this case the partial-income method does not apply as regards church tax (if applicable).

Additionally, if the shares are held as business assets of a domestic permanent establishment of a commercial or deemed to be commercial partnership, the full amount of the dividend income is generally also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on his or her proportion of the partnership's income is generally credited as a lump sum– fully or in part–against the individual's personal income tax liability. If the partnership held at least 15% of the Issuer's registered share capital at the beginning of the relevant tax assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in the Issuer are attributable on a look- through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look-through basis, only Portfolio Participations are attributable) should not be subject to trade tax.

c) Tax Residence outside of Germany

The dividends paid to shareholders (individuals, corporations or partnerships) with a tax residence outside of Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed base in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to tax resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax discharges any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed in the section on dividend withholding tax above (see above "*a) Withholding Tax*").

Dividend payments that are funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) are generally not taxable in Germany.

2. Taxation of Capital Gains

Capital gains arising from the disposal of shares held by shareholders are taxed based on the following considerations.

a) Tax Residence in Germany

i) Individuals who hold the Shares as Private Assets

Gains on the sale of shares that are held as private assets by shareholders with a tax residence in Germany are generally taxable regardless of the length of time held. The tax rate is (generally) a uniform 25% plus the 5.5% solidarity surcharge thereon (resulting in an aggregate tax rate of 26.375%) as well as any church tax, if applicable.

The taxable capital gains are the difference between (a) the proceeds from the disposal of shares after deducting the direct sales costs and (b) the acquisition cost of the shares. Under certain conditions, prior payments from the tax-recognized contribution account (*steuerliches Einlagekonto*) may lead to reduced acquisition costs of the shares held as private assets and, as a consequence, increase the taxable sales gain. Losses on the sale of shares can only be used to offset gains made on the sale of shares during the same year or in subsequent years.

If the shares are held in custody or administered by a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks and financial service institutes), or if such entity or branch sells the shares and pays out or credits the capital gains (each a "**Domestic Paying Agent**"), said Domestic Paying Agent withholds a withholding tax of 25% plus 5.5% solidarity surcharge thereon and any church tax (if applicable) and remits this to the tax authority; in such a case, the tax on the capital gain will generally be discharged. If the shares were only held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the shares. However, the withholding tax rate of 25% plus the 5.5% solidarity surcharge thereon and any church tax (if applicable), will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds must, verify the original costs of the shares in his or her annual tax return.

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax for shareholders who pay church taxes, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the capital gain is deducted from the withholding tax (including the solidarity surcharge) withheld.

A shareholder may request that all his or her items of capital investment income, along with his or her other taxable income, be subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his or her tax burden. The base for taxation would be the gross income less the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals). The prohibition on deducting income-related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax already withheld would be credited against the income tax so determined and any overpayment refunded.

One exception to this rule is that a shareholder's capital gains are subject to the partial-income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale of shares are subject to the individual income tax rate plus solidarity surcharge thereon and church tax, if applicable, if the shareholder, or his or her legal predecessor in case of acquisition without consideration, has directly or indirectly held shares equal to at least 1% of the Issuer's share capital at any time during the previous five years. 60% of the expenses economically related to the proceeds of the sale of shares are tax-deductible.

In the case of a Qualified Participation, withholding tax (including the solidarity surcharge) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is obliged to declare the gains from the sale in his or her income tax return. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax liability in the tax assessment, and any overpayment will be refunded.

ii) Shares held as Business Assets

The Flat Tax does not apply to proceeds from the sale of shares held as business assets by shareholders tax resident in Germany. If the shares form part of a shareholder's business assets, taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor (individual) or partnership. Dividend payments that are funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) reduce the original acquisition costs. In case of a sale of shares, a higher taxable capital gain can arise herefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

- **Corporations**: In general, capital gains earned on the sale of shares by corporations domiciled in Germany are exempt from corporate income tax (including the solidarity surcharge thereon) and trade tax, irrespective of the stake represented by the shares and the length of time the shares are held; however, 5% of the capital gains are treated as a non-deductible business expense and, as such, are subject to corporate income tax (plus the solidarity surcharge thereon) and to trade tax.
- **Sole proprietors (individuals)**: If the shares were acquired after December 31, 2008 and form part of the business assets of a sole proprietor (individual) who is tax resident in Germany, 60% of the capital gains on their sale are subject to the individual's personal tax rate plus the solidarity surcharge thereon (partial income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial income method does not apply. If the shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax is fully or partially credited as a lump sum against the shareholder's personal income tax liability.
- **Commercial Partnerships**: If the shareholder is a partnership, personal income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined in subsection "Corporations" apply. If the partner is an individual, the tax principles applying to capital gains that are outlined in subsection "Sole proprietors (individuals)" apply. Upon application and provided that additional prerequisites are met, an individual who is a partner can obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale of shares attributable to a permanent establishment maintained in Germany by a commercial partnership or deemed to be commercial partnership are subject to trade tax at the level of the partnership. As a general rule, only 60% of the gains in this case are subject to trade tax to the extent the partners in the partnership are individuals, while 5% are subject to trade tax to the extent the partners are corporations and shares are sold. Under the principles discussed above, losses on sales and other reductions in profit related to the shares sold are generally not deductible or only partially deductible, if the partner is a corporation. If the partner is an individual, the trade tax the partnership pays on his or her share of the partnership's income is generally credited as a lump sum–fully or in part–against his or her personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the taxpayer.

Special rules apply to capital gains realized by companies active in the financial and insurance sectors, as well as pension funds (see below, "*3. Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

If a Domestic Paying Agent is involved, the proceeds from the sale of shares held as business assets are generally subject to the same withholding tax rate as those of shareholders whose shares are held as private assets (see *"Individuals who hold the Shares as Private Assets"*). However, the Domestic Paying Agent may refrain from withholding the withholding tax if (i) the shareholder is a corporation, association or estate with its tax residence in Germany, or (ii) the shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge and church tax, if applicable) will be credited against the shareholder's income tax or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) and any excess amount will be refunded.

b) Tax Residence outside of Germany

Capital gains realized by a shareholder with no tax residence in Germany are subject to German income tax only if the selling shareholder holds a Qualified Participation or if the shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

Most double taxation treaties provide for an exemption from German taxes and assign the right of taxation to the shareholder's country of tax residence in the former case.

3. Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

Dividends paid to and capital gains realized by certain companies in the financial and insurance sector are, as an exception to the aforementioned rules, fully taxable.

This applies to dividends from as well as gains from the disposal of shares in the trading portfolio within the meaning of § 340e (3) HGB of credit institutions and financial services institutions, and shares that are, upon acquisition of the shares, allocable to the current assets of a financial enterprise within the meaning of the German Banking Act (*Kreditwesengesetz*) that is directly or indirectly held by a credit institution or financial services institution to more than 50%. The same applies to shares held as investments by life insurers, health insurers and pension funds. If the stake held at the beginning of the relevant assessment period is 15% or higher, subject to certain conditions, the dividends can be fully exempted from trade tax.

4. Inheritance and Gift Tax

The transfer of shares to another person by inheritance or gift is generally subject to German inheritance or gift tax only if:

- the decedent, donor, heir, beneficiary or other transferee maintained his or her domicile or habitual abode in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for German expatriates with U.S. residence) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany);
- the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or
- the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Issuer's registered share capital at the time of the inheritance or gift.

The fair value represents the tax assessment base. In general, that is the stock exchange price. Dependent on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

The few German double taxation treaties relating to inheritance tax and gift tax currently in force usually provide that the German inheritance tax or gift tax can only be levied in the cases of subsection 1 above, and also with certain restrictions in case of subsection 2 above. Special provisions apply to certain German nationals living outside of Germany and former German nationals.

5. The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the shares (including secondary market transactions) in certain circumstances. The issuance and subscription of shares should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders are advised to seek their own professional advice in relation to the FTT.

6. Other Taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of value-added tax on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

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19. GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT 2017

This is the management report of the Wild Bunch Group (hereinafter referred to as "Wild Bunch" or "Group"). It is a combined management report for Wild Bunch AG and the Group. Unless Wild Bunch AG or the Group is referred to specifically, the statements in this report apply equally to Wild Bunch AG and to the Group. The statements regarding the business performance and the net assets, financial position and result of operations of the Group made in this report are based on the consolidated financial statements prepared on the basis of the International Financial Reporting Standards (IFRS) as applicable in the EU.

Totals and percentages were calculated on the basis of non-rounded amounts in euros and may differ from a calculation based on amounts reported in thousands or millions of euros.

The statements relate primarily to the Group as of the reporting date of 31 December 2017. In order to help readers to understand certain issues, current developments are also outlined in various parts of the report. All significant changes that took place within the Group after the reporting date are also included in the report on subsequent events, which is contained in the notes to the 2017 consolidated financial statements.

All information in this report refers to the year 2017 as a whole.

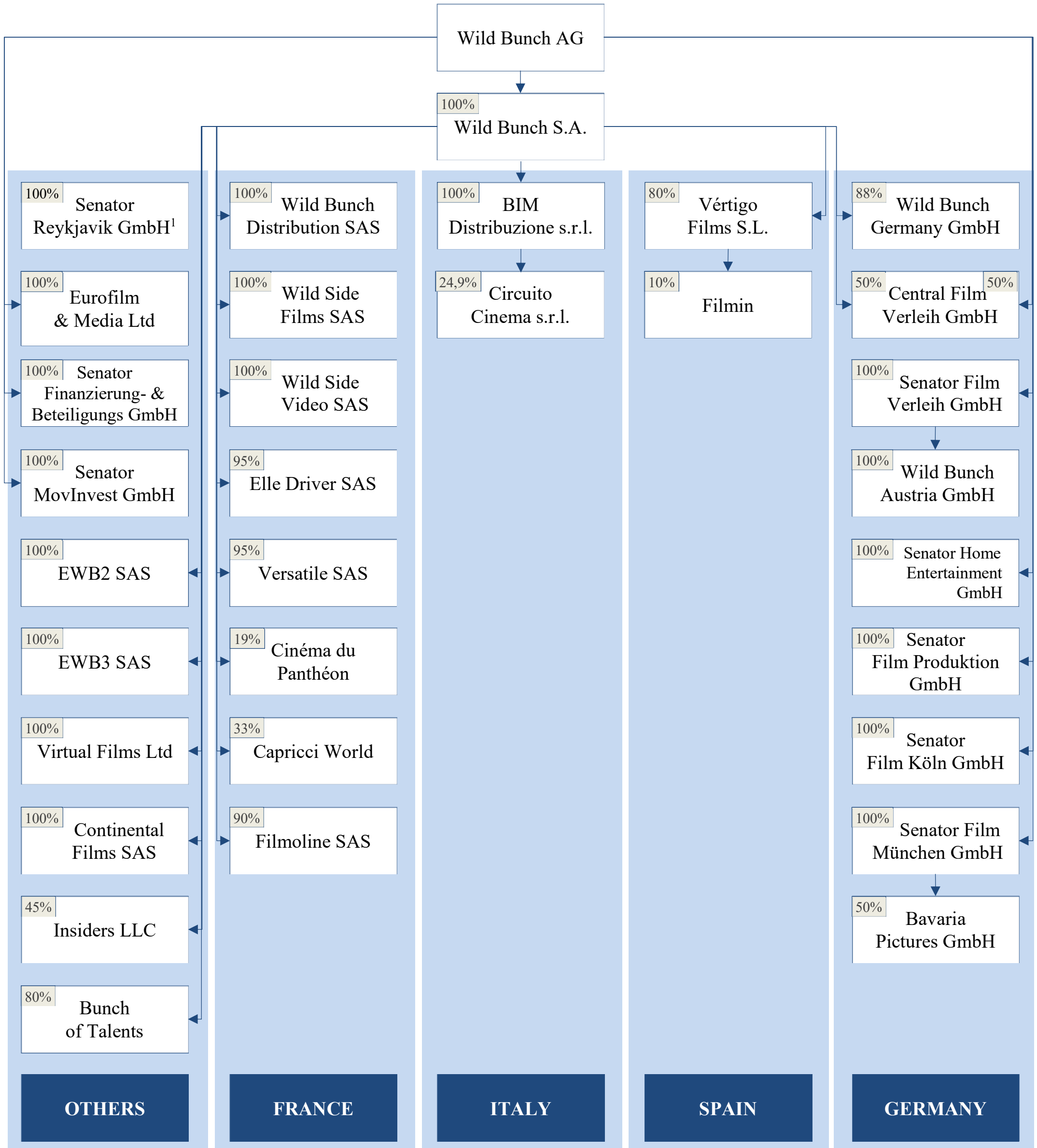
1. General information about the Group

The structure of Wild Bunch and the Group's individual operating segments are described on the following pages.

1.1 Structure of the Group and its segments

The Group is active in two segments: International sales, distribution and film production and Miscellaneous. As the parent company, Wild Bunch AG also acts as the Group's holding company and is responsible for general management, financial management, matters of corporate law, communications and IT services.

The Group structure as of 31 December 2017 is as follows:



[1] Senator Reykjavik GmbH is a 100% subsidiary of Senator Film Produktion GmbH

1.2 Business model

Wild Bunch is a major independent European film distribution and production company. The company is active in direct sales in France, Italy, Germany, Spain and Austria, is active in international sales, finances co-productions and is active in the electronic direct sales of films and TV series. The Group's activities cover the entire value chain of film production and sales, from the production of feature films and international sales to cinema and digital distribution (TV, home entertainment, VOD/SVOD). Due to its diverse editorial policy, the company can continually offer new and innovative films from around the world by investing in European film productions as well as US and international independent films. Thanks to its international sales activities through the sales labels Wild Bunch, Elle Driver, Versatile and Insiders, the company can offer international motion pictures to film distributors and broadcasting corporations around the world. Wild Bunch strives to be different, and combines its indispensable tradition-based knowledge of handling talent and the production of high-value content with a radical and novel approach to the market and innovative strategies in order to maximise the commercial value of such content. This includes aligning the business to accommodate alternative sales channels against the backdrop of digitisation and focussing on the production and marketing of high-quality content in the film and entertainment market.

The company has developed a pan-European sales network and is currently operating as a direct distribution company in five markets: in France with Wild Bunch Distribution SAS and Wild Side Film SAS, in Italy with BIM Distribuzione S.r.l. (hereinafter "BIM"), in Germany with Wild Bunch Germany GmbH (hereinafter "Wild Bunch Germany") and Central Film Verleih GmbH, in Spain with Vértigo Films S.L. (hereinafter "Vértigo") and in Austria with Wild Bunch Austria GmbH.

As part of its corporate strategy, Wild Bunch would like to push on with its geographical and content expansion, provided that the necessary investment capital is available. With the Wild Bunch TV label, which was established in September 2015, the company is focussing on co-producing, financing and marketing international TV series. Under the label Wild Bunch Digital, the company began developing a unified digital strategy for its products in 2017.

Wild Bunch currently offers a library of over 2,500 films and TV series, covering a variety of genres, and also sells up to 100 new independent films per year. The size and quality of its film library has made Wild Bunch a crucial partner for all buyers, ranging from TV broadcasting companies to providers of digital video content.

Wild Bunch has developed alternative approaches towards commercialisation that are largely based on new electronic sales channels and the restructuring of process planning.

This has allowed the company to position itself on the electronic direct sales market with its French VOD/SVOD platform FilmoTV, for example. The company is also continually working on expanding the reach and content of FilmoTV through partnerships with traditional broadcasters.

In addition, Wild Bunch has become one of the first distribution companies in Europe to offer online cinema services through an alternative sales model in order to promote "event films" and their economic potential to the public.

In light of VOD's increasing share of the market worldwide and the limited availability of cinema screens, Wild Bunch is offering these films either directly to a number of VOD services, or, where legally permissible, simultaneously via VOD and a limited number of cinemas.

In addition to the further penetration of existing markets, the development of new market segments and innovative solutions in production, sales and distribution, and to the issue of geographical expansion, are all vital elements of the corporate strategy.

1.3 Employees

In the 2017 financial year, the Group had an average of 155 employees. This equates to a decline of 3.13% compared with the average number of employees in the previous year (2016: 160 employees). This reflects efforts that were made to significantly reduce overheads over time.

1.4 Research and development

Strictly speaking, Wild Bunch does not engage in any research and development activities. There are therefore no expenses that could be allocated to research and development.

1.5 Management system

The Management Board has aligned the internal management system with the Group strategy and defined suitable performance indicators. One important element of the internal management and control system is the regular recording and updating of data by the controlling department, which is then reported to the Management and Supervisory Boards. The main object of the analyses and reporting are the performance indicators listed in 2.2. The basis for these analyses are the accounting-related internal control and risk management systems (see section 5, Key features of the internal control and risk management system), in particular the detailed risk recording and monitoring for the acquisition and distribution of films. A standardisation of accounting processes within the combined Group commenced in 2016. This is now due to be completed in 2018.

2 Business report

2.1 Macroeconomic and sector-specific environment

2.1.1 Business environment

The Wild Bunch Group's business operations focus largely on France, Germany/Austria, Italy and Spain. The economic performance of these countries is therefore of great significance to the Group. Its international sales activities and purchasing activities also mean the Group is active in overseas markets, such as the USA.

According to the International Monetary Fund (IMF), the global economy grew 3.7% in 2017, outperforming even the growth of 3.2% seen in 2016. At 3.9%, growth is expected to pick up speed once again in 2018.

Gross domestic product (GDP) in the European Union rose 2.5% in 2017 according to Eurostat, the European Commission's statistical office.

Wild Bunch's core markets also recorded significant growth in 2017.

GDP in France climbed 2.0% in 2017, according to figures released by the French national statistics bureau INSEE, following an increase of 1.1% in the previous year. The IMF forecasts growth of 1.9% in 2018.

According to DESTATIS, the German statistical office, the German economy expanded by 2.2% in 2017, following expansion of 1.9% in the previous year. The main growth factor was domestic demand. The IMF forecasts growth of 2.3% for the German economy in 2018.

The Italian national institute of statistics, ISTAT, reported economic growth of 1.5% for Italy in 2017, compared with 0.9% in the previous year. According to the IMF, Italy will see similar growth of 1.4% in 2018.

According to IMF estimates, Spain's GDP has once again recorded solid growth at 3.1%, following 3.3% in the previous year. However, the IMF does expect momentum to dwindle somewhat, forecasting growth of just 2.4% for 2018.

This positive macroeconomic key data should also provide a fundamentally good environment for the media industry.

The exchange rate between the U.S. dollar and the euro, which can have a significant impact on the business operations of Wild Bunch, declined markedly in 2017. At the beginning of the year, the exchange rate was EUR 0.95 to the U.S. dollar. The U.S. dollar continually depreciated over the course of the year and the exchange rate stood at just EUR 0.83 to the U.S. dollar on the last trading day. The equates to a decline of approximately 13%.

Wild Bunch is also affected by developments in interest rates. Since March 2016, the European Central Bank's base rate has been 0%, and the deposit rate for banks has been -0.4%. The ECB intends to stimulate further economic recovery in the eurozone with these record low interest rates. In the USA, on the other hand, the Federal Reserve (FED) has raised the base rate slightly again, in several stages. Following increases in March and in December 2017, it is now within the range of 1.25% to 1.5%.

2.1.2 Industry-specific economic environment

The 2017 financial year was characterised by a number of significant trends:

- a sharp increase in demand for high-quality content,
- the rapid digitisation of the film industry and
- the internationalisation and concentration of business operations.

According to the PwC German Entertainment and Media Outlook 2017–2021, most characteristic of the change in the media industry is the direct-to-consumer marketing of content. Content providers have to gain customer loyalty by offering excellent content along with an exemplary user experience. The foundation of this is a simple-to-use platform and intuitive payment processing. Yet it is also important to tailor the offers to the individual recipient as much as possible in order to take customers' preferences into account and to offer content suggestions that are highly likely to be accepted. Just like the manufacturers of branded goods in the past, media content providers now need to turn users into hardcore fans who they can communicate with through numerous channels that allow for feedback. This fan base must then be monetised.

Wild Bunch was founded from the conviction that the film and entertainment industry is on the brink of far-reaching changes. The move towards digitisation and the corresponding change in the film and entertainment sector are also prompting changes in the development, production, financing, marketing and sales of motion picture entertainment. Several market indicators reflect this development: according to PwC Media & Entertainment Outlook 2017–2021, SVOD is one of the market segments experiencing the highest rates of growth and VOD (video on demand) is gradually replacing DVDs.

The increasing digitisation in the film and entertainment industry is constantly leading to new and varied content offers and changes in viewing behaviours, which in turn lead to additional players, such as multichannel networks or SVOD services like Amazon and Netflix, that are increasingly represented in Wild Bunch's core markets. This rate of progress in digitisation is resulting in more choices for the consumer.

Internationalisation and concentration of the film business is another market trend. Because technological change is going full steam ahead, the traditional media companies had to react in order to remain competitive in the face of giants such as Amazon and iTunes. Several large takeovers were therefore announced and initiated in this market: Disney, for example, made a USD 52.4 billion bid for 21st Century Fox in December 2017. Following a counter-offer from Comcast, Disney increased its bid to USD 71.3 billion; the merger with Time Warner as suggested by AT&T was approved in June 2018.

Wild Bunch considers itself to be well positioned to profit from these developments, with its renowned high-quality film library, its contact with talent around the world and its international sales and distribution network.

Cinema

According to research undertaken by the European Audiovisual Observatory, the number of cinema visitors in the European Union decreased by 0.7% to 985 million in 2017 (previous year: 992 million). The number of cinema visitors increased in 13 of the 25 countries included in the study, decreased in 7 and remained stable in 5. The largest decline was recorded in Italy at 12.9%. France also recorded a decrease of 1.8%. In Germany, 1.0% more cinema tickets were sold than in the previous year, while Spain was on a par with the European average, with a 0.7% decrease. The proportion of national films on show increased in virtually all European countries.

France

In France, Europe’s strongest cinema market, approximately 209.2 million cinema tickets were sold in 2017 (previous year: 213.1 million). This represents a decrease of 1.8%. The proportion of national films on show increased further to 37.4% (previous year: 35.8%).

Germany

German cinemas recorded a 1.0% increase in 2017 with 122.3 million visitors, with 121.1 million visitors in the previous year. Revenue saw a disproportionate increase of 3.9%, rising to EUR 1.06 billion (previous year: EUR 1.02 billion). The share of national productions rose to 23.9%, following 22.7% in the previous year. The most successful film of 2017 in Germany was "Fack ju Göhte 3" with over 5.5 million visitors.

Italy

In 2017, Italy recorded Europe’s largest decline at the box office. There was a decrease of 12.9%, with 99.2 million tickets being sold (previous year: 112.8 million tickets). A corresponding 11.9% decrease in income to EUR 613 million was recorded (previous year: EUR 695 million).

Spain

The Spanish cinema market showed a slight decline in 2017, with 99.7 million cinemagoers (previous year: 101.8 million). This represents a slight decrease of 2.6%. Revenue fell by 1.8% to EUR 595 million (previous year: EUR 606 million).

Electronic distribution and home entertainment

The proliferation of on-demand services such Netflix, Amazon and Google Play are accelerating revenue growth on the digital video market. IHS Markit forecasts an increase in the European SVOD market from EUR 3 billion in 2016 to EUR 5.2 billion in 2020. In light of the decline in DVD sales, it also anticipates that SVOD will become the most prominent revenue driver in the home entertainment market. In its Media Outlook, PwC estimates that income from video-on-demand services is higher than cinema income by USD 1.88 billion and forecasts a final decline in DVD sales from USD 1.63 billion to just USD 714 million in 2020. The established VOD/SVOD platforms represent an important customer group for Wild Bunch’s sales activities.

With rapidly rising user figures, Netflix and Amazon Prime Instant Video are the most important providers of SVOD services in Europe.

France

According to GfK (the Society for Consumer Research) and CNC (French National Centre for Cinematography and the Moving Image), the French video market generated revenue of EUR 1.02 billion in 2017, following EUR 940 million in the previous year. The VOD/SVOD segment saw continued growth, with a strong increase in revenue of 43% to EUR 492 million (previous year: EUR 344 million). Nevertheless, the growth in the digital video market was not able to compensate for the revenue decreases in DVDs and Blu-ray sales. Following revenue from the sale of DVDs and Blu-rays of EUR 596 million in the previous year, growth declined in 2017 by 10% to EUR 536.6 million.

Germany

According to GfK, the performance of the German video sector in 2017 was stable overall, and was up 3% on the previous year at EUR 1.83 billion (EUR 1.77 billion).

In Germany, SVOD also showed the strongest growth, with a 50% increase to EUR 488 million. This segment accounts for 27% of all spending on home video entertainment. This growth is also starting to consolidate in the older age groups. Until recently, it mostly came from young target groups. In total, there were 9 million SVOD subscriptions. The average user watched 5.3 feature films and 20.1 TV episodes on Netflix in 2017. Furthermore, the competition in streaming is heating up. According to PwC, Amazon holds the largest share of the market among the streaming providers in Germany with 36%, followed by Netflix with 21%, iTunes with 16% and Maxdome with 11%.

The digital distribution formats TVOD and EST also recorded further growth. With revenue of EUR 280 million, this segment accounts for 15% of the total market. This represents a 27% increase against the previous year.

Consumers spent EUR 1.06 billion on DVD and Blu-ray products in 2017, a decline of 14%. Physical lending also experienced a large decrease of 30%. Only 5% of all revenue, or EUR 84 million, is attributable to this segment.

Overall, the German market for electronic distribution and home entertainment remains one of the most profitable in Europe.

Italy

Total income from the Italian video market in 2017 amounted to EUR 340.2 million according to Univideo 2018, compared with EUR 376 million in 2016. The digital video market saw a sharp increase in 2017, with revenue of EUR 85.2 million (previous year: EUR 36 million); this equates to around 25% of all revenue in the home entertainment segment. In total, 5 million people in Italy, or 9.5% of the population over the age of 14, have bought at least one home video product in the past year.

Revenue from the sale of DVDs and Blu-rays decreased by 2.4% and amounted to EUR 206 million (previous year: EUR 211 million), with a total of 16.3 million units sold (-13.9%).

Spain

There were 85 VOD providers in Spain in 2017. According to Statista, revenue of EUR 151 million was generated with digital TV subscriptions and EUR 75 million with other OTT video offerings in 2017.

Sales of DVDs and Blu-rays declined according to GfK by 13%, amounting to EUR 75 million.

TV

According to DHR/Digital TV Research, the European TV segment is undergoing changes as a result of the challenges posed by diverse competition and the battle between traditional broadcasters and large digital (streaming) content providers/ telecommunications providers over content. Additional challenges that pit traditional TV broadcasters against digital (streaming) providers include the increase in non-linear offers, an increasingly fragmented audience, the need to record more specific data to allow for targeted advertising, and the ambition to expand their programming to all over Europe.

TV remains the most consumed entertainment medium based on the total viewing duration, but it must hastily construct its digital future. This is because competition from large digital companies and younger viewing audiences is increasingly becoming the norm – circumstances that could undermine TV's position in the future.

Estimates for the year 2022 show 65 million SVOD subscribers in Europe (44.6 million in 2017), generating revenue of USD 6.5 billion.

Accordingly, the advertising market is shifting towards the digital arena, with more revenue being devoted to digital advertising than to traditional TV ads (source: DHR/MAGNA). The transition from TV to digital offers was confirmed in 2017. Income from digital advertising surpassed income from TV advertising for the first time in 2017: a decrease of 2% in TV ads to USD 178 billion and a 17% increase in digital ads to USD 209 billion. The market share for digital advertising stood at 41%, while TV took 35% of the market share in 2017; it is forecast that digital advertising will have 50% of the market share in 2020 at USD 291 billion (compared with USD 183.4 billion for TV).

The TV market will therefore adjust to the decline in advertising income and in doing so, must focus on growth and profitability in other areas. Yet TV broadcasters are already adapting to this new situation. DHR/Digital TV Research estimates cumulative revenue from digital distribution and paid TV packages in 2022 of USD 283 billion, an increase of 18% compared with 2016 (USD 239 billion). Experts therefore do not consider paid TV subscriptions to be outdated, instead forecasting one billion subscribers in 2022.

According to PwC, linear TV programming still takes the top spot in terms of average viewing duration per day. However, with the increasing availability of fast internet connections, a steady decline is to be expected, since viewers are increasingly interested in determining for themselves what content they access, when they access it and where. TV channels are providing their content through various means (mobile, tablet, TV, etc.) and orienting its approach to viewing habits, such as binge watching. The European market for paid TV packages is facing increasing competition from SVOD services such as Netflix and Amazon. Despite all of this, TV channels remain important partners to the film industry.

The western European paid TV market is almost saturated, according to DHR/Digital TV Research, but, in contrast to North America, will gain more subscribers between 2016 and 2022. This is an increase of 6.7%, or almost 7 million subscribers, reaching 106 million. In June 2017, western Europe exceed 100 million paid TV subscribers.

France

In France, the daily average TV viewing duration is 3 hours and 51 minutes, putting it well above the average daily internet use of 1 hour and 23 minutes. However, watching TV via catch-up services and through other streaming services is continuously increasing. More than 23% of the broadcasting time on French TV is taken up with feature films and TV series. In order to strengthen the domestic market, public broadcaster France Télévisions has announced that it will invest more than EUR 400 million in domestic productions each year. France Télévisions also plans to create its own SVOD service and launch it in 2018. The premium channel Canal+ has lost market share, as in the previous year, with 1.2% of viewers (previous year: 1.7%).

Germany

According to estimates from the Association of Private Media (VAUNET), the dual system in Germany generated income from TV of approximately EUR 15.5 billion in 2016 (previous year: EUR 15.3 billion). Public broadcasters' total income amounted to approximately EUR 5.7 billion (previous year: EUR 5.6 billion) according to VAUNET estimates, of which approximately EUR 4.9 billion (EUR 4.9 billion) came from TV licenses, around EUR 0.3 billion (previous year: EUR 0.3 billion) came from TV advertising income and an estimated EUR 0.5 billion (EUR 0.5 billion) from other public TV income. Approximately EUR 2.3 billion was generated from the paid TV market in Germany in 2017, according to VAUNET estimates, which represents growth against the previous year of 7.2% or an increase of EUR 156 million. TV advertising on the German TV market, including public and private broadcasters, generated revenue of EUR 4.6 billion (previous year: EUR 4.5 billion – Revenue of audiovisual media in Germany in 2017, October 2017, VAUNET).

In the pay-TV segment, VAUNET estimates the number of subscribers at 8.7 million (previous year: 8.4 million) in German-speaking Europe (Germany, Austria, Switzerland) in 2017; of this figure, almost 90% of subscribers are based in Germany (7.9 million subscribers). In 2017, Germany had 103 premium channels.

In addition, OTT services are also on the rise, first of all with hybrid platforms such as Amazon Channels, Magine and Zattoo that offer linear and non-linear programming over the internet, and second with on-demand platforms such as Amazon Prime, Maxdome, Netflix and Sky Ticket.

Italy

In 2017, the TV market had a share of 63.4% of the entire advertising market in Italy, down 1.6 percentage points against the previous year. The shifting of advertising budgets away from TV and towards online offers is also noticeable in this market. The expected increase in income at the public broadcasting corporation RAI should be reflected soon after, in higher TV production budgets. Since July 2016, the general TV license fee (Canone RAI) for private TV viewing has been added to the electricity bill in Italy. The automatic integration of the TV license fee into the electricity bill is intended to prevent large-scale evasion of paying the fee.

Spain

In 2017, approximately 48% of Spanish users' media consumption consisted of watching TV. The average TV viewing duration rose by 7 minutes to 240 minutes a day, according to a study conducted by the consultancy company Barlovento

Comunicación. The number of paid TV subscriptions climbed a huge 22.3%, following a 20% increase in the previous year. According to CNMC (*Comisión Nacional de los Mercados y la Competencia* – National Advertising Commission), 6.1 million households in Spain had access to premium TV channels. The paid TV model has undergone significant change in Spain, since triple-play offers (premium TV, internet and mobile as one package) grew massively in 2016, with 4.7 million subscribers, while traditional paid TV fell to 0.9 million subscribers (source: Elmundo + Kantar Media, CNMC).

Miscellaneous

The global film market remained very dynamic during the reporting period. In comparison with developments in traditional film consumption and an explosion in demand for content, growth in digital services is above-average.

The market has shown an increasing shift in competition towards the production of content: Apple has started producing exclusive original content and announced its intention to invest USD 1 billion in audiovisual content in 2018. This is just about on a par with Amazon's total investment in production. Netflix tops the list with an investment budget of USD 6 billion, while HBO intends to invest USD 2 billion in content in 2018. In total, Facebook, Apple, Amazon, Netflix and Google will invest USD 20 billion in content in 2018.

TV series production in the USA also continues to grow (up 7% against 2016; source: Les Echos – FX Networks). In the United States, 487 new TV series were shown in 2017. Of these 117 were TV series from new digital platforms like Netflix, Amazon and Hulu (2016: 90 TV series; 2010: 4 TV series).

But traditional TV also remains one of the main investors in original content. Screendaily reports that the USD 1 billion that Netflix has earmarked for original content in the whole of Europe is much less than the TV budgets of BBC and ITV in the UK (USD 2.3 billion and USD 1.3 billion respectively).

2.2 Financial and non-financial performance indicators

Financial performance indicators

The primary objective of the Wild Bunch Group is to sustainably increase the value of the company. Revenue, gross profit and earnings before interest and taxes (EBIT) are the decisive performance indicators within the Group.

Figures in TEUR	2017	2016
Turnover	101,420	122,152
Gross profits*	17,985	20,051
EBITDA	47,265	61,868
Operating results (EBIT)	734	3,754

* Revenues plus other film related income minus cost of sales.

Non-financial performance indicators

Beyond the financial performance indicators, non-financial performance indicators and success factors are also crucial to the company's performance. These are derived from the specific challenges posed by the business model.

Box office figures

In the International sales, distribution and film production segment, the box office business, where sales are generated from film screenings, is an important factor in profitability, as a success on the big screen also determines the next steps in distribution. Film distribution remains a volatile business in this segment and screenings of Wild Bunch films in 2017 showed the same level of volatility. Films distributed to cinemas by Wild Bunch Group generated net revenue of EUR 16,511 thousand (previous year: EUR 23,760 thousand).

Access to rights

The Group competes with others to acquire the rights to literary works and screenplays and to conclude contracts with successful directors, actors and film studios. That is why the Group maintains close relationships with renowned and experienced screenplay writers, directors and producers in Europe who evidently have the required amount of expertise in producing films for the big screen and for broadcasting on TV.

Special expertise and network of contacts

Both technical expertise and content creation skills are vital, particularly in light of the increasing importance of the digital video market. Recruiting, training and retaining well-educated, professional, dedicated and creative employees is also paramount. A broad and reliable network of contacts, alongside forging business partnerships based on mutual trust, are also important factors in the Group's success.

2.3 Business performance

Business performance at Wild Bunch was characterised by our negotiations and the implementation of necessary financing measures in 2017. Following the conclusion of a credit facility agreement with the London-based commercial bank Leumi plc (UK) (hereinafter **Bank Leumi**) in April 2017, the financing measures could be partially implemented, allowing Wild Bunch to at least partially enact its strategic corporate planning. This includes, for example, further growth in the TV arena, the completion of important bulk contracts with international SVOD providers, and the ongoing focus on local productions. The Group also managed to reduce overheads by another 3.9% to EUR 21.7 million (previous year: EUR 22.6 million).

- Traditional sales activities (theatrical distribution and international sales) recorded a 12.5% decrease to EUR 44.8 million (previous year: EUR 51.2 million) due to the Group's reduced ability to invest in film content.
- Development in the other sales channels was stable to satisfactory, whereby the focus was on SVOD sales activities, and thus the strategic approach paid particular attention to business with electronic sales platforms.
- In the 2017 financial year, Wild Bunch lived up to its reputation as a successful talent scout once more, for example, with its selection of the film GRADUATION by Cristian Mungiu, which was listed among the top 10 best films of 2017 in the USA, and RAW by Julia Ducournau, which made it into the best 17 films of 2017 in the Vanity Fair rankings. Julia Ducournau received the Prix Louis-Delluc and was listed among the top 40 personalities of 2017 by Vanity Fair. The film had already been sold by Wild Bunch in all territories on the second film market of 2017 (Cannes).
- By establishing Wild Bunch Digital, Wild Bunch bolstered its uniform strategy for digital sales and thus improved the performance of its aggregation and digital sales activities. Despite lacking investment capacities in the 2017 financial year, Wild Bunch TV managed to gain a number of new TV series projects for international sale.
- Group companies also made progress in developing production and co-production activities. The Group co-produced or initiated the co-production of films such as LOMMBOCK, a German comedy co-produced by Senator Film Produktion, DIE PFEFFERKÖRNER UND DER FLUCH DES SCHWARZEN KÖNIGS by Christian Theede, the TV show production OLAF MACHT MUT, co-produced by Senator Film Produktion for MDR and broadcast by ARD, the film CLIMAX by Gaspar Noé in France, LES TRADUCTEURS by Régis Roinsard, GIRLS OF THE SUN by Eva Husson, QUITTE MOI SI TU PEUX by Alice Belaïdi, LES INTRUS by Gonzague Legout and LA PARANZA DEI BAMBINI by Roberto Saviano (the screenplay writer of GOMORRHA) in Italy.
- In the field of digital sales, Wild Bunch continues to focus on its relationships with the growing SVOD services and is deploying its multi-domestic/multi-content strategy. Despite our efforts, revenue declined by 17.2% in 2017 to EUR 7.2 million (previous year: EUR 8.7 million). Over the medium and long term, its expertise in dealing with digital providers, combined with its position as an independent producer and distributor, its aggregator model and, last but not least, its solid library, will enable Wild Bunch to generate considerably more revenue in the field of SVOD.

Wild Bunch's International sales, distribution and film production segment covers the entire distribution chain for films and in particular includes the distribution proceeds for films generated from theatrical distribution, international sales, electronic direct sales and home entertainment. Revenue in this segment decreased in 2017 to EUR 97.1 million in comparison with EUR 117.4 million in 2016.

In the Miscellaneous segment, revenue decreased from EUR 4.7 million in 2016 to EUR 4.3 million in 2017. In particular, the Group's SVOD platform and the marketing of music rights activities are pooled in this segment.

2.3.1 Theatrical distribution

The Group released a total of 50 films in the 2017 financial year (previous year: 58 films) in France, Germany, Italy and Spain, and generated total revenue in these countries, and to a lesser extent others, of EUR 16,511 thousand, compared with EUR 23,760 thousand in 2016. This decrease had a direct impact on the total comprehensive income for the year.

Title	Regisseur	Origin	Distribution	Start
A FOND	Nicolas Benamou	France	Wild Bunch Distribution	21.12.2016
MEDECIN DE CAMPAGNE	Thomas Lilti	France	BIM	22.12.2016
COMANCHERIA	David Mackenzie	USA	VÉRTIGO	30.12.2016
NERUDA	Pablo Larrain	Chile, Argentinia, France, Spain, USA	Wild Bunch Distribution	04.01.2017
BALLERINA	Eric Summer, Eric Warin	Canada, France	Wild Bunch Germany	12.01.2017
ECONOMIE DU COUPLE	Joachim Lafosse	France, Belgium	BIM	19.01.2017
LOVING	Jeff Nichols	United Kingdom, USA	VÉRTIGO	20.01.2017
SI J'ETAIS UN HOMME	Audrey Dana	France	Wild Bunch Distribution	25.01.2017
150 MG	Emmanuelle Bercot	France	BIM	09.02.2017
JACKIE	Pablo Larrain	Chile, France, USA, Hong Kong	VÉRTIGO	17.02.2017
I AM NOT MADAME BOVARY	Xiaogang Feng	China	VÉRTIGO	10.03.2017
GRAVE	Julia Ducournau	Italy, France, Belgium	Wild Bunch Distribution	15.03.2017
RADIN	Fred Cavayé	France	BIM	16.03.2017
LOMMBOCK	Christian Zübert	Germany	Wild Bunch Germany	23.03.2017
RED TURTLE	Michael Dudok De Wit	France, Belgium, Japan	BIM	27.03.2017
TARDE PARA LA IRA	Raùl Arèvalo	Spain	BIM	30.03.2017
DAVID LYNCH: THE ART LIFE	Jon Nguyen, Rick Barnes	USA, Denmark	VÉRTIGO	31.03.2017
RADIN	Fred Cavayé	France	Wild Bunch Germany	06.04.2017
BIENVENUE AU GONDWANA	Mamane	France	Wild Bunch Distribution	12.04.2017
A FOND	Nicolas Benamou	France	VÉRTIGO	21.04.2017
ÜBERFLIEGER (RICHARD THE STORK)	Toby Genkel, Reza Memari	Germany, Belgium, Luxemburg, Norway, USA	Senator/Wild Bunch Germany	11.05.2017
RÜCKKEHR NACH MONTAUK	Volker Schlöndorff	Germany, Ireland, France	Wild Bunch Germany	11.05.2017
SICILIAN GHOST STORY	Fabio Grassadonia e Antonio Piazza	Italy, France, Switzerland	BIM	18.05.2017
RODIN	Jacques Doillon	France, Belgium, USA	Wild Bunch Distribution	24.05.2017
SAGE FEMME	Martin Provost	France	BIM	31.05.2017
THE JANE DOE IDENTITY	André Øvredal	United Kingdom, USA	Wild Bunch Germany	31.05.2017
K.O.	Fabrice Gobert	France	Wild Bunch Distribution	21.06.2017
SELFIE	Víctor García León	Spain	VÉRTIGO	23.06.2017
ON THE MILKY ROAD	Emir Kusturica	Serbia, United Kingdom, USA	Wild Bunch Distribution	12.07.2017
FALLEN	Scott Hicks	USA, Ungarn	Senator/Wild Bunch Germany	13.07.2017
BUN IN THE OVEN	Nadège Loiseau	France	Wild Bunch Germany	20.07.2017
CHOUQUETTE	Patrick Godeau	France	Wild Bunch Distribution	02.08.2017
HAMPSTEAD	Joel Hopkins	United Kingdom	BIM	03.08.2017

Title	Regisseur	Origin	Distribution	Start
YO-KAI WATCH	Shigeharu Takahashi and Shinji Ushiro	Japan	Wild Bunch Distribution	09.08.2017
RODIN	Jacques Doillon	France, Belgium, USA	Wild Bunch Germany	31.08.2017
PFEFFERKÖRNER UND DER FLUCH DES SCHWARZEN KÖNIGS	Christian Theede	Germany	Wild Bunch Germany	07.09.2017
ALIBI.COM	Philippe Lacheau	France	VÉRTIGO	15.09.2017
UNA FAMIGLIA	Sebastiano Riso	Italy	BIM	21.09.2017
ROCK MY HEART	Hanno Olderdissen	Germany	Wild Bunch Germany	28.09.2017
FELT	Peter Landesman	USA	BIM	12.10.2017
REDOUTABLE	Michel Hazanavicius	France	VÉRTIGO	13.10.2017
AURORE	Blandine Lenoir	France	BIM	26.10.2017
AUS DEM NICHTS	Fatih Akin	Germany, France	BIM	02.11.2017
FELT	Peter Landesman	USA	Wild Bunch Germany	02.11.2017
DIE REISE DER PINGUINE 2	Luc Jaquet	France	Wild Bunch Germany	02.11.2017
SENSE OF AN ENDING	Ritesh Batra	United Kingdom	BIM	23.11.2017
RACER AND THE JAILBIRD (LE FIDELE)	Michaël R. Roskam	Belgium, Niederlande, France	VÉRTIGO	24.11.2017
12 JOURS	Raymond Depardon	France	Wild Bunch Distribution	29.11.2017
STARS 80 LA SUITE	Frédéric Auburtin, Thomas Langmann	France	Wild Bunch Distribution	06.12.2017
HISTOIRE DE L'AMOUR	Radu Mihaileanu	France, Canada, Rumänien, USA	BIM	07.12.2017
HEART (REPARER LES VIVANTS)	Katell Quillévéré	France	Wild Bunch Germany	07.12.2017
SENSE OF AN ENDING	Ritesh Batra	United Kingdom	VÉRTIGO	08.12.2017
BREATHE	Andy Serkis	United Kingdom	BIM	14.12.2017
GARDE ALTERNEE	Alexandra Leclère	France	Wild Bunch Distribution	20.12.2017
FINAL PORTRAIT	Stanley Tucci	United Kingdom	VÉRTIGO	29.12.2017

France

As in the previous year, Wild Bunch released 14 films in France in 2017, including the Chilean production NERUDA by Pablo Larrain (236,397 visitors), the Japanese anime film YO-KAI WATCH by Shigeharu Takahashi and Shinji Ushiro (230,397 visitors), the French comedy GARDE ALTERNEE by Alexandra Leclère (474,134 visitors), the new documentary by renowned film-maker and photographer Raymond Depardon, 12 DAYS (146,350 visitors) and the acclaimed horror film RAW by Julia Ducournau (154,256 visitors). In the reporting period, theatrical distribution in France generated revenue of EUR 7,301 thousand in total (previous year: EUR 10,654 thousand).

Germany

Wild Bunch Germany and Senator Film Verleih released 13 films (previous year: 16 films) in theatres, including LOMMBOCK by director Christian Zübert, a film co-produced by Senator Film Produktion (341,600 visitors), DIE PFEFFERKÖRNER UND DER FLUCH DES SCHWARZEN KÖNIGS by Christian Theede (326,000 visitors), ROCK MY HEART by Hanno Olderdissen (177,000 visitors) and the French-Canadian animated hit BALLERINA by Éric Summer and Éric Warin (279,000 visitors). In the reporting period, theatrical distribution in Germany generated revenue of EUR 5,653 thousand in total (previous year: EUR 3,944 thousand).

Italy

BIM released a total of 15 films (previous year: 17 films) in Italy, including IRREPLACEABLE by Thomas Lilti (estimated income of EUR 0.97 million/171,300 visitors) and 50 PRIMAVERE (AURORE) by Blandine Lenoir (estimated income of EUR 0.43 million/71,000 visitors). In 2017, theatrical distribution in Italy generated revenue of EUR 2,204 thousand in total (previous year: EUR 4,339 thousand).

Spain

Vértigo released a total of 13 films (previous year: 19 films) in theatres in Spain, including the Oscar-nominated HELL OR HIGH WATER by David Mackenzie (161,000 visitors) and JACKIE, a biopic of the life of Jacqueline Kennedy by Pablo Larraín (134,000 visitors). In 2017, theatrical distribution in Spain generated revenue of EUR 1,353 thousand in total (previous year: EUR 4,518 thousand).

In 2017, Wild Bunch released a number of films in several of its markets at the same time, for instance FULL SPEED in France and Spain, THE SILENT MAN and PENNY PINCHER! in Italy and Germany, RODIN in Germany and France, and THE HISTORY OF LOVE and THE SENSE OF AN ENDING in Italy and Spain.

Some films released in 2017 were not able to meet their expectations. These included BIENVENUE AU GONDWANA by Mamane in France (68,454 visitors), IF I WERE A BOY by Audrey Dana in France (162,464 visitors), FALLEN by Scott Hicks in Germany (25,027 visitors) and THE HEART by Katell Quillévéré in Germany (3,716 visitors) and THE HISTORY OF LOVE by Radu Mihăileanu in Italy (24,220 visitors) and Spain (5,951 visitors).

In the current stage of Wild Bunch's strategic development, the success of the films released to theatres remains a material factor for the Group's revenue figures and profitability.

2.3.2 International sales

As part of its international sales activities, Wild Bunch took on 37 films (previous year: 39 films) in 2017 via its international sales units Insiders, Versatile, Elle Driver and Wild Bunch International Sales. This included the Russian film CLOSENESS by Kantemir Balagov, RAW by Julia Ducournau, the latest film from the internationally acclaimed director Kore-eda Hirokazu THE THIRD MURDER, RODIN by Jacques Doillon, LOVELESS by Andrej Swjaginzew, RACER AND THE JAILBIRD by Michaël R. Roskam, I AM NOT MADAME BOVARY by Feng Xiaogang, IF I WERE A BOY by Audrey Dana, BELOW HER MOUTH by April Mullen, 7.19 AM by Jorge Michel Grau, SAFE NEIGHBORHOOD by Chris Peckover, S.M.A.R.T. CHASE by Charles Martin, and YOU WERE NEVER REALLY HERE by Lynne Ramsay, starring Joaquin Phoenix. YOU WERE NEVER REALLY HERE was nominated for the Best Film award at the Cannes Film Festival 2017 and won the Best Screenplay and Best Actor awards. Wild Bunch's international sales activities generated revenue amounting to EUR 28,274 thousand (previous year: EUR 27,454 thousand) in the reporting period.

Wild Bunch TV

Wild Bunch TV, a label belonging to Wild Bunch S.A., Paris, was established in 2015 with the aim of initiating, identifying and co-developing TV series, making co-production and financing services available for TV series, and selling and marketing attractive TV offers worldwide. Wild Bunch TV boosted its sales activities with two new series: MAMA'S ANGEL by Keren Weissman was sold to 10x45' – YES TV *(Israel)* and THE EXCHANGE PRINCIPLE by Oded Davidoff was sold to 10x45' – HOT TV *(Israel).*

2.3.3 Electronic direct sales and home entertainment

VOD

The sales contribution from VOD/SVOD in the video market increased further in Wild Bunch's core markets in the reporting period. Wild Bunch also achieved good results with a number of conventional DVD releases. In the 2017 financial year, the Group generated significant revenue with Netflix on both a global and regional level, as well as through further sales to Amazon. Wild Bunch is well positioned to profit from the growing demand on the digital video market. Due to lower investment in new film content, revenue in the field of VOD/SVOD remained slightly under the previous year's level in 2017 at EUR 11,127 thousand (previous year: EUR 11,589 thousand).

Home video

In the field of home entertainment, Wild Bunch recorded a number of successes on the international market. This included GUARDIANS by Sarik Andreasyan, the most successful direct-to-video production. In France, it sold 22,000 copies on DVD and was sold 100,000 times via VOD. The sci-fi film THE OSIRIS CHILD by Shane Abbess, released in summer 2017 in France, also achieved good sales figures. It sold 22,000 copies on DVD and was sold 30,000 times via VOD. The thriller HELL OR HIGH WATER by David Mackenzie sold 27,000 DVDs and was downloaded 32,000 via VOD platforms in France. The sales figures in France for RAW by Julia Ducournau, with 10,000 sales each on DVD and VOD, and THE HISTORY OF LOVE by Radu Mihăileanu, with 4,000 DVD and 6,000 VOD sales, were disappointing. In total, Wild Bunch Group generated EUR 13,037 thousand (previous year: EUR 16,182 thousand) in revenue through the sale of home video units. The 19.4% decrease in revenue is in line with the general market trend and the shift towards downloading VOD content.

In Italy, the production SNOWDEN, with revenue of EUR 50 thousand in the field of TVOD and EUR 88 thousand in DVD and Blu-ray sales stood out the most (11,500 copies sold).

TV sales

In the field of Free-TV and Pay-TV, Wild Bunch generated revenue of EUR 28,330 thousand in 2017 (previous year: EUR 31,887 thousand). This decline is primarily due to lower investing activity of the Group during the reporting period.

Films sold by Wild Bunch to TV broadcasters in 2017 achieved high viewing figures. 12 YEARS A SLAVE achieved a market share of 12.7% on Canale 5 in Italy. LA FAMILLE BÉLIER hit 6% when it was broadcast on Rai 3. In Germany, the first run of OLAF SCHUBERT TV SHOW on ARD averaged 1.04 million viewers per episode.

The attractiveness of the Wild Bunch film library was confirmed by solid revenue in France: films such as DETECTIVE DEE 2, DRIVE, THE SHOCK CORRIDOR and THE TIGER OF ESCHNAPUR by Fritz Lang were sold to ARTE. Canal+ broadcast titles such as TORO and HELL OR HIGH WATER. HEY GOOD LOOKING! (TF1 series) and AUGUST: OSAGE COUNTY (C8) were shown on various TNT channels. SAINT SEIYA was sold to Altice. Traditional TV broadcasters such as France 2 and France 3 also contributed to our sales success with CHANGING SIDES and HAUTE CUISINE respectively. In Italy, Wild Bunch also experienced diversity in sales activity, which was also due to new Freeview TV offers. Numerous films from our library were sold to a variety of TV broadcasters, such as Paramount, Comedy, Cielo, TV8 and Universal.

FilmoTV

In the reporting year, FilmoTV expanded its inventory and closed a deal with Fox and Paramount to add titles from both production companies to its portfolio. In 2017, Filmo's online library exceeded 7,000 titles. FilmoTV also continued to develop the innovative interface FilmoGeneric. The new development of several apps was also started in 2017. The apps will allow the company to better react to individual customer desires and increase customer loyalty. The first two apps have already been launched.

Wild Bunch Digital

In light of developments on the market and the knowledge gained from its digital sales operations, Wild Bunch has decided to pool its digital sales activities. A new division, Wild Bunch Digital, was established in October 2017 for this purpose. Wild Bunch Digital specialises in the release of digital content, acquiring, co-producing and aggregating cinema, audiovisual and web content and marketing it across all digital services (online cinema services, VOD, SVOD, paid TV subscriptions and Free-TV). The Wild Bunch Group combines its pan-European and international strategies with its skills in developing, acquiring and marketing successful projects. Wild Bunch Digital therefore not only unites the digital sales operations of Wild Side, Wild Bunch and Wild Bunch TV but also offers content from additional providers.

On 28 September 2017, Wild Bunch Digital successfully released 47 METERS DOWN by Johannes Roberts in France via online cinema services. With 40,000 downloads on VOD, the film is the second most successful film released through online cinema services after WELCOME TO NEW YORK. The film also sold 8,000 DVD copies and was sold to the two French TV broadcasters Canal+ and TF1 TNT. Although online cinema is a very innovative sales format, its contribution to Wild Bunch's consolidated revenue remains limited.

2.3.4 Other information

Sale of shares in Circuito Cinema S.r.l.

During the 2017 financial year, BIM sold 10.57% of its shares in Circuito Cinema S.r.l, which had amounted to 35.47% of the total shares. The company now holds just 24.9% of shares in the Italian cinema operator. The shares were sold to co-shareholders for strategic reasons.

Film festival awards

Wild Bunch films once again received numerous awards in 2017. IN THE FADE (AUS DEM NICHTS) by Fatih Akin, distributed by BIM in Italy, won the Best Actress award (Diane Kruger) at the Cannes Film Festival and the Golden

Globe for Best Foreign Language Film. LOVELESS by Andrej Swjaginzew, sold internationally by Wild Bunch International and in Germany by Wild Bunch Germany, won the Jury Prize in Cannes and the Best Film award at London Film Festival (BFI). YOU WERE NEVER REALLY HERE by Lynne Ramsay, distributed by Insiders, won the Best Screenplay award at Cannes and Joaquin Phoenix won the Best Actor award. THE MISEDUCATION OF CAMERON POST by Desiree Akhavan, distributed by Elle Driver, won the Grand Jury Prize at the Sundance Festival; THE FURY OF A PATIENT MAN by Raúl Arévalo, distributed by BIM in Italy, won four awards at the Spanish film award ceremony Goya for Best Film, Best Directing Debut, Best Supporting Actress and Best Screenplay. ÜBERFLIEGER by Toby Genkel and Reza Memari, distributed by Wild Bunch Germany and co-produced by Senator Film München, won the award for Best Animated Film at the Bavarian Film Awards.

2.3.5 Overall appraisal of business developments

At a European level, Wild Bunch is one of the leading film distribution companies that has a certain buying and market power due to its strategic size and that is able to react to the rapid changes in the area of film rights distribution. The 2017 financial year was characterised by intense negotiations with investors and banks regarding the ongoing financial restructuring of the Group. As part of the refinancing plans, investments were cut by EUR 5.8 million against 2016 to EUR 44.5 million, while net debt rose to EUR 86 million, i.e. EUR 10.8 million higher than the net debt figure as of the end of 2016. Overall, Wild Bunch was able to push ahead with its strategic realignment. Examples of this are the developments seen in Wild Bunch Digital and Wild Bunch TV brands, and Insiders' innovative business model. The Group will have to make simultaneous further efforts and investment in the core business areas in order to grow again in this dynamic market environment in the future. For this reason, the Group has agreed on a bundle of measures with banks and investors that will enable the group to realign itself financially and set its course for the future in a strategic manner.

2.4 Net assets, financial position and results of operations of the Group

Actual developments in comparison with the predicted business development

Sales revenue amounted to EUR 101.4 million in 2017, which was below the figures forecast by management, who were expecting a slight decline in comparison with the previous year (EUR 122.2 million). The theatrical field in particular did not meet expectations. Due to the shortfall in revenue, the EBIT forecast also was not met. Earnings before interest and taxes amounted to EUR 0.7 million, significantly below the prior-year figure of EUR 3.8 million. A slight increase had been forecast. By contrast, the EBITDA margin that the Management Board expected in the 2017 financial year of over 35% was surpassed with 47%. The higher gross profit than in the previous year (EUR 20.1 million) expected by the Management Board was not attained, reaching EUR 18 million in the 2017 financial year.

Taking into account the new borrowing under the Bank Leumi credit line, net debt also increased to EUR 85,989 thousand (previous year: EUR 75,201 thousand).

2.4.1 The Group's financial performance

According to the IFRS consolidated financial statements, revenue declined by 17.0% to EUR 101.420 thousand in the 2017 financial year (previous year: EUR 122,152 thousand).

Group sales revenue was divided as follows amongst the individual segments: the International sales, distribution and film production segment generated EUR 97,082 thousand in the 2017 financial year (previous year: EUR 117,416 thousand). Theatrical distribution made a significant contribution with EUR 16,511 thousand, or 16.3% (previous year: EUR 23,760 thousand, or 20.2%), as did international sales with EUR 28,274 thousand, or 27.9% (previous year: EUR 27,454 thousand, or 23.4%); electronic direct sales, home entertainment and TV contributed EUR 50,713 thousand, or 50.0%* (previous year: EUR 59,658 thousand, or 48.8%), while film production contributed EUR 1,584 thousand, or 1.6% (previous year: EUR 4,345 thousand, or 3.7%). In addition, the Group generated revenue of EUR 4,338 thousand in the Miscellaneous segment (previous year: EUR 4,737 thousand).

* **Note of the auditor of the financial statements:** In the audited combined group management report and management report of Wild Bunch AG are shown EUR 52,494 thousand or 51,8% due to an transmission error. The error has been corrected in the management report of Wild Bunch AG for the financial year from 1 January 2018 to 31 December 2018. This finding does not have any effect on the unqualified auditor's report regarding the consolidated financial statements of Wild Bunch AG and its subsidiaries as of 31 December 2017and the combined group management report and management report of Wild Bunch AG for the financial year from 1 January 2017 to 31 December 2017.

Divided by region, Wild Bunch sales revenue was as follows in the 2017 financial year: at EUR 36,312 thousand, or 35.8% (previous year: EUR 41,718 thousand, or 34.2%), the company's largest share of revenue was attributable to France. Business operations in Germany contributed EUR 25,471 thousand, or 25.1%, to total revenue (previous year:

EUR 31,382 thousand, or 25.7%). In the Group's other core markets, Spain generated revenue of EUR 4,452 thousand, or 4.4% (previous year: EUR 9,973 thousand, or 8.2%), while Italy generated revenue of EUR 6,459 thousand, or 6.4% (previous year: EUR 10,672 thousand, or 8.7%). Revenues in the remaining regions around the world amounted to EUR 28,725 thousand in the reporting period. This represents 28.3% of the total revenue (previous year: EUR 28,407 thousand, or 23.3%).

The production costs for the rendering of services required to generate sales revenue amounted to EUR 91,157 thousand in the 2017 financial year (previous year: EUR 111,832 thousand). Group expenses consisted particularly of costs associated with the sale of films in the amount of EUR 22,061 thousand (previous year: EUR 29,383 thousand), the amortisation of film rights in the amount of EUR 42,734 thousand (previous year: EUR 47,980 thousand) and licensor royalties in the amount of EUR 16,440 thousand (previous year: EUR 16,901 thousand). As a result, Group gross earnings for 2017 came to EUR 17,985 thousand (previous year: EUR 20,051 thousand). The gross earnings margin amounted to 18.2% (previous year: 16.4%). Both sales revenue and the costs that were taken into account to determine the gross profit margin partially include individual items valued in a foreign currency (primarily U.S. dollars). In light of the considerable fluctuation in the U.S. dollar/euro exchange rate, the earnings position of items in foreign currencies resulted in net earnings of EUR 855 thousand in the 2017 financial year (previous year: EUR -769 thousand in net expenses).

The Group's other operating income in the 2017 financial year amounted to EUR 9,404 thousand (previous year: EUR 7,649 thousand). These are largely due to the reversal of provisions in the amount of EUR 2,024 thousand (previous year: EUR 1,685 thousand), the derecognition of liabilities in the amount of EUR 708 thousand (previous year: EUR 3,556 thousand) and income from the reversal of write-downs on receivables in the amount of EUR 623 thousand (previous year: EUR 638 thousand). The Group's administrative expenses decreased further to EUR 21,663 thousand (previous year: EUR 22,618 thousand). This is particularly due to lower personnel costs of EUR 12,679 thousand (previous year: EUR 13,885 thousand) as a result of restructuring measures in the Group. Depreciation and amortisation had a negative impact on administrative expenses in the amount of EUR 302 thousand (previous year: EUR 236 thousand). Despite the cost reductions achieved, the administrative expenses ratio increased due to low revenue to 21.6% (previous year: 18.5%). The Group's other operating expenses were considerably up in the 2017 financial year compared with the previous year at EUR 4,991 thousand (previous year: EUR 1,329 thousand). Exchange rate losses rose considerably in comparison with the previous year to EUR 4,160 thousand (previous year: EUR 1,225 thousand).

Earnings before taxes saw a marked decline in the reporting period to EUR -5,436 thousand (previous year: EUR -343 thousand). This was due to the significantly lower sales revenue. Group earnings before interest and taxes (EBIT) also decreased in the 2017 financial year to EUR 734 thousand (previous year: EUR 3,754 thousand). Financial income, primarily resulting from exchange rate gains of EUR 590 thousand (previous year: EUR 916 thousand) and interest income of EUR 280 thousand (previous year: EUR 48 thousand), amounted to EUR 897 thousand in 2017 (previous year: EUR 1,107 thousand). In contrast, interest expenses in the amount of EUR 5,753 thousand (previous year: EUR 4,489 thousand) led to Group financial expenses of EUR 6,809 thousand (previous year: EUR 5,313 thousand), resulting in a further decline in the financial result to EUR -6,170 thousand (previous year: EUR -4,097 thousand).
In total, tax expenses amounted to EUR 1,241 thousand (previous year: EUR 1,146 thousand) and primarily consisted of corporate taxes of EUR -845 thousand (previous year: EUR -2,066 thousand) and deferred taxes of EUR -157 thousand (previous year: EUR 2,231 thousand).

Consolidated net income for the 2017 financial year amounted to EUR -6,677 thousand (previous year: EUR 803 thousand). With an unchanged average of 81,763,015 shares in Wild Bunch AG outstanding as of 31 December 2017, this equates to earnings per share (basic/diluted) of EUR -0.08 (previous year: EUR 0.01).

Overview of key figures

in € thousand	**2017**	**2016**
Revenues	101,420	122,152
Total income	109,141	131,883
Gross Profit	17,985	20,051
Operating result (EBIT)	734	3,754
Consolidated net income	-6,677	803
EPS (€)	-0.08	0.01
Net financial debt*	85,990	75,201

* Net finance debt = debt minus cash and cash equivalent

2.4.2 Earning position of the segments

The earning position of the segments in the 2017 financial year is as follows:

in € thousand	International Sales Distribution and Film Productions		Other		Total	
	2017	2016	2017	2016	2017	2016
Revenues	**97,082**	**117,416**	**4,338**	**4,737**	**101,420**	**122,152**
Film-related income	6,929	8,621	792	1,110	7,722	9,731
Cost of sales	-88,251	-107,882	-2,906	-3,950	-91,157	-111,832
Segment profit/loss	**15,760**	**18,155**	**2,224**	**1,897**	**17,985**	**20,051**
Other operating income						
Administrative expenses					9,404	7,649
Other operating expenses					-21,663	-22,618
Operating profit/loss					**-4,991**	**-1,329**
Financial income					734	3,753
Financial costs					897	1,107
Share of profit of associates or joint ventures					-6,809	-5,313
Profit/loss before tax					-258	108
Earnings before taxes					**-5,436**	**-345**

2.4.3 The Group’s net assets

As of the reporting date of 31 December 2017, the Group’s total assets amounted to EUR 282,446 thousand (31 December 2016: EUR 315,808 thousand). As of 31 December 2017, non-current assets amounted to EUR 214,352 thousand (31 December 2016: EUR 230,070 thousand). This includes intangible assets amounting to EUR 81,689 thousand (31 December 2016: EUR 95,593 thousand). The majority of this sum relates to film distribution rights that will be distributed in the coming months and years and will then contribute to sales revenue. The decrease in comparison with the previous year is associated with the decline in business volume and amortisation. The Group’s non-current assets also include goodwill in the amount of EUR 124,454 thousand (31 December 2016: EUR 124,454 thousand). As of the reporting date of 31 December 2017, property, plant and equipment totalled EUR 1,156 thousand (31 December 2016: EUR 1,274 thousand). The other financial assets increased to EUR 2,511 thousand (31 December 2016: EUR 913 thousand), which is mainly due to the increase in deposited collateral. Deferred tax assets declined to EUR 1,736 thousand (31 December 2016: EUR 4,899 thousand). This is first and foremost due to the valuation allowance on deferred tax assets on loss carried forward based on their ability to be realised within a three-year planning horizon.

As of the 2017 reporting date, the Group’s current assets amounted to EUR 68,094 thousand (31 December 2016: EUR 85,738 thousand). The decline in current assets as of the 2017 reporting date reflects the lower business volume in comparison with the previous year. Trade and other receivables amounting to EUR 36,020 thousand (31 December 2016: EUR 42,090 thousand) form a considerable proportion of current assets. Current assets also include other current assets amounting to EUR 23,832 thousand (31 December 2016: EUR 33,743 thousand), largely resulting from VAT receivables and receivables from funding bodies. Cash and cash equivalents decreased as of the reporting date of 31 December 2017 to EUR 6,593 thousand (31 December 2016: EUR 7,170 thousand).

As of 31 December 2017, the reported equity amounted to EUR 81,175 thousand (31 December 2016: EUR 87,736 thousand). This equates to an equity ratio of 28.74% (31 December 2016: 27.8%).

As of 31 December 2017, liabilities of EUR 201,271 thousand were on the books (31 December 2016: EUR 228,072 thousand). Non-current liabilities totalled EUR 53,019 thousand as of 31 December 2017 (31 December 2016: EUR 64,215 thousand). This is particularly due to the framework credit agreement with Bank Leumi. Non-current financial liabilities decreased considerably to EUR 48,459 thousand (31 December 2016: EUR 56,198 thousand). You can find out more about maturities and securitisation of financial liabilities in the Notes to the consolidated financial statements. Deferred tax liabilities declined to EUR 2,881 thousand (31 December 2016: EUR 6,081 thousand).

Current liabilities as of 31 December 2017 amounted to EUR 148,252 thousand (31 December 2016: EUR 163,857 thousand). These include current financial liabilities of EUR 44,123 thousand (31 December 2016: EUR 26,173 thousand). The increase in current financial liabilities in comparison with the previous year is also due to the conclusion of a credit facility agreement with Bank Leumi. Trade payables and licensor royalties came to EUR 52,077 thousand (31 December 2016: EUR 71,216 thousand). Here, the lower business volume in the reporting period is also prominent. Other current liabilities amounted to EUR 49,080 thousand (31 December 2016: EUR 62,113 thousand) and consisted of EUR 14,455 thousand (31 December 2016: EUR 19,547 thousand) in deferred revenue, payable income tax and social security contributions, and liabilities to funding bodies.

2.4.4 The Group's financial situation

In the 2017 financial year, Wild Bunch AG generated operating cash flow of EUR 26,418 thousand (previous year: EUR 37,793 thousand). This is primarily due to the reduced business volume in the 2017 financial year.

Cash flow from investing activity amounted to EUR -39,450 thousand in the 2017 financial year (previous year: EUR -43,126 thousand). This decrease was due to a lower level of investment in film distribution rights and other intangible assets amounting to EUR 44,510 thousand (previous year: EUR 50,259 thousand). Companies belonging to the Wild Bunch Group mainly invested in film distribution rights, scheduled for distribution over the coming months and years over individual value chains.

Cash flow from financing activities was positive, with cash inflow of EUR 12,490 thousand (previous year: EUR 3,863 thousand). While the raising of other financial liabilities (particularly the utilisation of the framework credit line from Bank Leumi and other financing) generated positive cash flow of EUR 36,172 thousand (previous year: EUR 13,336 thousand), a reduction in financial liabilities led to cash outflow of EUR -23,682 thousand (previous year: EUR -22,693 thousand). Please refer to the detailed information in the Notes to the consolidated financial statements regarding the provisions for, and structure of, the maturities of financial liabilities.

At the end of the financial year, the financial situation was tense overall. From the end of November 2017, the Group's French subsidiaries held court-supervised talks with creditors regarding the complete restructuring and partial deferment of liabilities of the French companies (see paragraphs 3.4 and 4.1.3).

Group cash and cash equivalents totalled EUR 6,593 thousand as of 31 December 2017 (previous year: EUR 7,170 thousand). Unused credit lines with banks amounted to EUR 1,597 thousand (previous year: EUR 16,700 thousand) as of the reporting date.

The equity ratio was 28.7% (previous year: 27.8%) and the proportion of medium and long-term financing in the overall financing was approximately 26.1% (previous year: 28.2%).

2.5 Net assets, financial position and result of operations of Wild Bunch AG

Actual developments in comparison with the predicted business development

2.5.1 Earnings position of Wild Bunch AG

At the level of the individual company Wild Bunch AG, revenue amounted to EUR 38 thousand (previous year: EUR 60 thousand) in 2017, whereby the decrease in revenue in comparison with the previous year is due to the fact that Wild Bunch AG does not deal with any new business operations following the merger with the Wild Bunch Group in 2015 and restricts itself to processing old business, which in terms of earnings is on the decline, as planned. Sales revenue primarily consists of home video proceeds of EUR 14 thousand (previous year: EUR 23 thousand) and proceeds from the utilisation of music rights of EUR 21 thousand (previous year: EUR 37 thousand).

Other operating income generated by the individual company amounted to EUR 696 thousand (previous year: EUR 2,187 thousand) and included, in particular, intragroup allocations to Wild Bunch AG for holding company services it provides in the areas of administration and financing as well as exchange rate income amounting to EUR 0.26 thousand (previous year: EUR 21 thousand).

The decrease in cost of materials largely corresponded with the decrease in sales revenue and amounted to EUR 14 thousand (previous year: EUR 17 thousand). As a result, based on revenue, the cost of materials ratio amounted to 36.8% (previous year: 28.3%). Excluding members of the Management Board, Wild Bunch AG employed an average of seven employees in the 2017 financial year (previous year: seven employees). Personnel expenses amounted to EUR 922 thousand in 2017 (previous year: EUR 901 thousand), whereby expenses for salaries and wages amounted to EUR 821 thousand in the reporting period (previous year: EUR 805 thousand).

The individual company's other operating expenses amounted to EUR 3,483 thousand in 2017 (previous year: EUR 3,083 thousand). These include, in particular, costs for the operating business such as rent, Supervisory Board costs, travel expenses and other administrative expenses.

Wild Bunch AG has concluded profit and loss transfer agreements with various subsidiaries, which also obliges Wild Bunch AG to cover losses. This resulted in expenses from covering losses of EUR 222 thousand (previous year: EUR 143 thousand). As the parent company, Wild Bunch AG assumes Group financing and provides the Group companies with liquid funds. To fulfil this role, it takes up loans from credit institutes as the main borrower and refinances itself through the capital market. Interest is charged on receivables and payables between the Group companies. Accordingly, other interest and similar income came to EUR 651 thousand in the 2017 financial year (previous year: EUR 773 thousand). This was offset by interest and similar expenses amounting to EUR 2,519 thousand (previous year: EUR 2,793 thousand).

The individual company generated markedly negative earnings before taxes (EBT) of EUR -2,517 thousand (previous year: EUR -6 thousand). The individual company's net loss in the 2017 financial year amounted to EUR -2,517 thousand (previous year: EUR -6 thousand). This was first and foremost due to the individual company's lower other operating income in comparison with the previous year and other operating expenses and personnel expenses on the same high level as in the previous year.

2.5.2 Assets and financial position of Wild Bunch AG

The individual company Wild Bunch AG's total assets as of 31 December 2017 came to EUR 136,302 thousand (previous year: EUR 135,117 thousand). Fixed assets amounted to EUR 132,031 thousand (previous year: EUR 132,052 thousand), while as in the previous year, the vast majority consists of shares in affiliated companies, at EUR 111,698 thousand. Investments in associates amounted to EUR 2,108 thousand (previous year: EUR 2,108 thousand). Intangible fixed assets amounted to EUR 1 thousand (previous year: EUR 4 thousand); property, plant and equipment amounted to EUR 42 thousand (previous year: EUR 61 thousand).

Current assets amounted to EUR 4,040 thousand as of the 2017 reporting date (previous year: EUR 2,943 thousand). Due to the sale of DVD stocks, inventories decreased to EUR 4 thousand (previous year: EUR 8 thousand). Receivables and other assets, on the other hand, increased to EUR 3,972 thousand (previous year: EUR 2,590 thousand). This increase was due to higher receivables from affiliated companies in the amount of EUR 3,830 thousand (previous year: EUR 2,225 thousand). Trade receivables remained stable at EUR 1 thousand (previous year: EUR 1 thousand). Other assets decreased to EUR 140 thousand (previous year: EUR 363 thousand). As of the reporting date, Wild Bunch AG held cash and cash equivalents amounting to EUR 64 thousand (previous year: EUR 345 thousand).

As of 31 December 2017, Wild Bunch AG's equity amounted to EUR 95,862 thousand (previous year: EUR 98,379 thousand); as a result, the equity ratio amounted to 70.3% (previous year: 72.8%).

An extraordinary item for investment subsidies, under which the company accounts for subsidies from the "Improving the regional economic structure" programme, was down against the previous year at EUR 1 thousand (previous year: EUR 14 thousand) due to further reversals. At the end of the financial year, provisions amounted to EUR 823 thousand (previous year: EUR 1,287 thousand) and consisted of other provisions, such as provisions for outstanding invoices, auditing costs and paid leave provisions.

As of the 2017 reporting date, liabilities increased to EUR 39,616 thousand (previous year: EUR 35,438 thousand), primarily as a result of the increase in liabilities to affiliated companies in the amount of EUR 17,791 thousand (previous year: EUR 16,028 thousand) due to the profit and loss transfer agreements that are in place and the obligation to cover losses. In addition, loans amounting to EUR 18,032 thousand continue to be accounted for (previous year: EUR 18,032 thousand). Liabilities to banks increased to EUR 2,939 thousand (previous year: EUR 0 thousand). Trade payables decreased as of the reporting date to EUR 816 thousand (previous year: EUR 1,318 thousand). Other liabilities declined further to EUR 38 thousand (previous year: EUR 59 thousand).

Cash inflow of EUR 2,939 thousand resulted solely from financing activities in the form of proportionate debt financing in the amount stated.

Operating cash flow amounted to EUR -3,220 thousand.

Over the course of the 2017 financial year, Wild Bunch AG's cash and cash equivalents decreased from EUR 345 thousand as of 1 January 2017 to EUR 64 thousand as of 31 December 2017. To secure its liquidity position, the Wild Bunch Group concluded a credit facility agreement with Bank Leumi in April 2017 for a revolving credit line of

EUR 30 million. The German, Italian and Spanish companies belonging to the Wild Bunch Group as well as Wild Bunch AG used the credit facility, which runs until 2019, to repay existing financing and to finance their current business during the reporting period. The first withdrawal, which amounted to EUR 20 million, was made on 18 July 2017.

The credit facility, defined by the value of the borrowing base, amounted to EUR 23.4 million as of the reporting date.

Of this amount, EUR 21.9 million was utilised.

On the conclusion of the credit facility agreement, another non-binding increase of the credit line to up to EUR 100 million upon the French companies becoming party to the agreement. The French companies can join provided that further conditions were met; utilisation of the extended credit line requires renewed approval from Bank Leumi and possibly from other syndicate banks (see also 3.4).

2.6 Summary of business development and the economic situation of the Group and Wild Bunch AG

The past financial year was again characterised by the Group's attempts at financial restructuring and continued management of the integration of the business units. The financial structure improved markedly with the completion of financing through Bank Leumi that covered virtually all of the Group. This has given the German, Italian and Spanish Group companies initial access to funds of up to EUR 30 million over the next two years for their operating business; once the conditions have been met for the French subsidiary Wild Bunch S.A. to be included in the agreement, the financing could be raised to a total of up to EUR 100 million. This potential access to liquid funds will help to strengthen and stabilise the company's financial situation. The improved financing conditions will also lead to a reduction in borrowing costs and therefore to financial relief in the coming years.

As a film company that operates across Europe with a distinctive image and a wide portfolio of operations, from international sales to direct electronic distribution, Wild Bunch stands behind its fundamental strategic direction, in spite of the fact that business performance in the 2017 financial year was not satisfactory. The company was able to successfully continue its operating activities, particularly the production and sale of films in the fields of cinema, TV and home entertainment. Consolidated revenue decreased in the 2017 financial year to EUR 101,419 thousand (previous year: EUR 122,152 thousand). In terms of profitability, though, the company was still in the black, despite low earnings before interest and taxes of EUR 734 thousand. This was below expectations that EBIT would come to slightly above the previous year's figure (previous year: EUR 3,754 thousand). With positive cash flow from operating activities of EUR 26,418 thousand (previous year: EUR 37,793 thousand) and cash and cash equivalents of EUR 6,593 thousand (previous year: EUR 7,170 thousand) alongside increased net debt of EUR 85,989 thousand (previous year: EUR 75,201 thousand), the company's liquidity situation is currently strained but controllable (please refer to "Liquidity risks that pose an existential threat" in paragraph 4.1.3), Financial, accounting and tax risks with an equity ratio of 28.7% (previous year: 27.8%). Nevertheless, the overall financial situation meant that the Group was under direct pressure to restructure itself.

Wild Bunch considers itself to be well positioned overall to generate further synergies and exploit the advantages resulting from the high growth potential in the international film market. Business performance in 2017 emphasised the rapid rate of change that the film industry is currently exposed to.

3 Forecast report

3.1 Trends in the market environment

According to the estimates from consultancy company PwC in their Media & Entertainment Outlook 2015–2019 ("PwC Media Outlook 2015"), the entertainment and media industry will be able to continue growing in the coming years. Total revenue on the global film market is set to grow by 4.1% (CAGR) by 2019 to approximately USD 105 billion. Strong growth is particularly expected in the emergent markets of China and Latin America, accompanied by a further upswing in the established markets surrounding the global market leader USA.

Despite the competition from other forms of entertainment and easy access to digital content, the global cinema market is set grow 6.0% annually to USD 49.32 billion in 2020, according to the PwC Media Outlook 2016. In addition to the ongoing domination of Hollywood blockbusters, national film productions should also prove popular in the cinemas of individual markets. In addition to the continued growth in revenue at the box office, electronic consumption via video-on-demand services is a particularly significant growth driver. In the PwC Media Outlook 2016, PwC forecasts that an average annual revenue growth of 11.5% will be recorded by 2020 through the electronic consumption of video content. Video and streaming services will therefore become more important in many markets. This development can be observed in the Wild Bunch core markets, albeit with varying degrees of intensity.

According to the PwC Media Outlook 2015, we can expect to see the electronic distribution of video content replacing physical video rental (DVDs and Blu-rays) in the following years to become the second-largest source of revenue. While an annual decline of 5.8% is forecast for physical video content, the experts believe that the rapid expansion of streaming services will result in annual revenue growth of 19% by 2019. The decrease in traditional video rental shops and the increasing selection of streaming services available will accelerate this upheaval in the video business. As a result, PwC forecasts a decline in revenue from physical videos of 5.8% annually to USD 22.8 billion by 2019. The study also indicates that the growth in the OTT (over-the-top) video services will also have an impact on the distribution of advertising income. We can therefore assume that TV consumption will shift from the traditional networks to digital alternatives. Overall, TV advertising is expected to increase by 4.1% annually to USD 204.1 billion in 2019, while terrestrial and multichannel advertising income is predicted to increase annually by 2.8% and 5.1% respectively. Significant annual growth of 19.8% is forecast for TV advertising income generated globally online, while the overall increase in advertising income will drop off on an international scale.

The worldwide boom in smartphones associated with digitisation will result in both new opportunities and far-reaching challenges for film companies. According to the PwC Media Outlook 2015, the number of smartphone connections will rise from 1.9 billion in 2014 to 3.9 billion in 2019. For providers of films and TV series, this means increasingly focusing on the production and sale of content that can also be downloaded on mobile end devices.

All in all, the growing global film market and the rising demand for paid TV content and VOD will present long-term growth opportunities for the Group. For the 2018 financial year, Wild Bunch's objective is to profit from these growth trends on the international markets.

3.2 Group focus for the 2018 financial year

Wild Bunch remains ambitious with regard to its future. The company intends to complete its financial restructuring over the course of the 2018 financial year and to strengthen its digital fields on this basis, increasing its focus on high-quality projects in the area of TV/series. Following the successful implementation of its refinancing measures, the company intends to grow rapidly once again and to cement its position as one of the leading pan-European Groups on the international film entertainment market. New markets will also be tapped into, particularly sales territories in Europe in which Wild Bunch is not yet active and China. Should there be signs of imminent market consolidation, acquiring interests in other companies may also be an option.

Operational measures to improve efficiency and to reduce costs will contribute to improved transparency, an optimised organisational structure and better results overall. Wild Bunch will continue to market its extensive library with the same determination in order to profit from the demand for new digital services.

3.3 Expected development

The focus in the 2018 financial year will continue to be on financial reorganisation, to which the management will continue to devote most of its attention.

Operationally, Wild Bunch will continue to strive towards expanding its offering and reducing costs in the 2018 financial year.

Despite limited financial resources, Wild Bunch will once again increase its presence both in TV programming through Wild Bunch TV and in production in the existing markets.

Further development of the cooperation with electronic distribution providers will be a particular priority in order to push ahead with the distribution of the film library.

At the same time, Wild Bunch must continue with its rationalisation measures, simplify structures, adapt its tools for action and examine the company's structure.

Wild Bunch plans to release a total of 53 films in French, German, Italian and Spanish cinemas in 2018. Some films will be released in several markets through Wild Bunch's sales network, such as LUCIA'S GRACE (BIM and Vértigo), SHOPLIFTERS (BIM and Wild Bunch Germany), which won the Palme d'Or at the Cannes Film Festival, and WHITNEY (BIM and Vértigo).

Planned cinema releases by country

France

Wild Bunch Distribution plans to release ten films in French cinemas, including the animated film WHITE FANG by Alexandre Espigares, based on Jack London's eponymous novel, with voice acting by Virginie Efira; VERONICA, a Spanish film that was very successful in Spain, with 600,000 visitors and seven nominations at the Spanish Goya film awards; CLIMAX by Gaspar Noé; and GIRLS OF THE SUN by Eva Husson, starring Emmanuelle Bercot and Golshifteh Farahani, a film about a group of women and their resistance against the Islamic State.

Germany

Wild Bunch Germany is planning 16 cinema releases, including KNOCK by Lorraine Lévy, a French comedy starring Omar Sy, PETTERSSON UND FINDUS 3 – FINDUS ZIEHT UM, the third and final part of the successful Pettson and Findus animated films from multi-award winning director Ali Samadi Ahadi, based on the best-selling children's books of the same name by Sven Nordqvist that have been translated into over 40 languages; CAPHARNAÜM by Nadine Labaki, winner of the Jury Prize at the Cannes Film Festival; German film MACKIE MESSER – BRECHTS DREIGROSCHENFILM by Joachim A. Lang, featuring an outstanding cast (Lars Eidinger, Hannah Herzsprung, Tobias Moretti, Joachim Król, Claudia Michelsen and Max Raabe) and based on Berthold Brecht's Threepenny Opera; and German family comedy MEINE TEUFLISCH GUTE FREUNDIN by Marco Petry.

Italy

BIM is planning 11 cinema releases in Italy, including SHOPLIFTERS by Kore-eda Hirokazu, IN THE FADE ("AUS DEM NICHTS") by Fatih Akin, the Golden Globe Best Foreign Language Film winner starring Diane Kruger, who also won the Best Actress prize for the role in Cannes; WHITNEY by Kevin MacDonald, a documentary about one of the most famous singers of all time; LUCIA'S GRACE by Gianni Zanasi, an Italian film that won the award for Best European Film at the Directors' Fortnight competition.

Spain

Vértigo is planning 16 cinema releases in Spain, including HAPPY AS LAZZARO by Alice Rohrwacher, which won the Best Screenplay award at the Cannes Film Festival; WHITNEY by Kevin MacDonald; LUCIA'S GRACE by Gianni Zanasi; BURNING, a South Korean mystery drama by Lee Chang-dong, winner of the FIPRESCI award at the Cannes Film Festival; GIRL, a Belgian debut from Lukas Dhont, winner of the Golden Camera at the Cannes Film Festival and the Best Actor award for Victor Polster in the Un Certain Regard competition.

Online cinema releases in France

The company will continue its online cinema activities with the release of films such as RESCUE UNDER FIRE (ZONA HOSTILE), a Spanish war film by Adolfo Martinez Perez; PURITY OF VENGEANCE by Christoffer Boe, a Danish film, the fourth and final film in the popular Department Q series based on the novels by Jussi Adler-Olsen; 10X10 by Suzi Ewing, an English thriller.

International sales

In 2018, 37 films are due for release from international sales, including blockbusters such as HIGH LIFE by Claire Denis; LES TRADUCTEURS, a gripping thriller by Régis Roinsard; THE QUIETUDE, with which Pablo Trapero follows up on his multi-award winning masterpiece THE CLAN and continues his discourse on family and the legacy of Argentina's troubled past; LONG DAY'S JOURNEY INTO NIGHT, a Chinese film by Bi Gan in the style of Wong Kar Wai, a brave, beautiful and ambitious journey into the secrets of a troubled life; THE MISEDUCATION OF CAMERON POST, Desiree Akhavan's second film, which stars Chloë Grace Moretz and Sasha Lane, and won the Grand Jury Prize at the Sundance Film Festival; SAVAGE by Vincent Mariette; GIRLS OF THE SUN by Eva Husson; SHOPLIFTERS by Kore-eda Hirokazu; CAPHARNAÜM by Nadine Labaki, winner of the Jury Prize at the Cannes Film Festival; GUAPO SIEMPRE by Richard Aujard featuring Mickey Rourke; THE STATE AGAINST MANDELA AND OTHERS by Gilles Porte and Nicolas Champeaux, a French documentary about a historic South African trial that took place between 1963 and 1964, in which Nelson Mandela and eight other defendants faced the death penalty; KINGS by Deniz Gamze Ergüven, starring Halle Berry and Daniel Craig; UNDER THE SILVER LAKE by David Robert Mitchell; and THE SISTERS BROTHERS starring Joaquin Phoenix, a darkly comic, violent existential odyssey from the multi-award winning director Jacques Audiard.

TV series sales

In the 2018 financial year, Wild Bunch TV will prove its ability to stay at the top of the TV sales business, despite lower levels of investment. In 2018, Wild Bunch TV will be selling four new series internationally: TEAM CHOCOLATE, a drama series developed by Marc Bryssinck and Filip Lenaerts, consisting of seven 52-minute episodes (7 x 52'), for which Wild Bunch TV has sold the remake rights to Canadian producer and distributor Reel One Entertainment; THE OIL FUND, a brilliant, ambitious and rugged Norwegian drama that provides an inside look at the colliding worlds of high finance and the public sector in ten 26-minute episodes. The series from Hollywood-based Norwegian director Harald Zwart was shown at the Séries Mania Festival. The list also includes DRAGONSLAYER666, a Finnish series with twelve 26-minute episodes based on the award-winning book by Aleksi Delikouras that deals with important issues, using an online war game as an example: what does it take to become a champion, and how do you build a team that you can trust to take you into battle; and MARY AND MIKE, a Chilean spy drama miniseries consisting of seven 52-minute episodes that deals with the true story of the most dangerous couple in Latin America directly following the Pinochet coup in Chile.

Direct sales and home entertainment

Following solid revenue from the field of electronics in 2017, even higher revenue is expected once more in 2018. Netflix remains the main purchaser of Wild Bunch's digital distribution. Amazon also took up SVOD activities in 2018 and has been offering Wild Bunch content (catalogue films) to its customers since May 2018.

The Wild Bunch Group will also lend its support to the ambitious DVD releases such as STARS 80 and LA SUITE in France with special marketing campaigns, e.g. attractive sales prices (EUR 10) for large volumes (40,000 DVDs). This also includes THE VILLAINESS by Byeong-gil Jeong, shown in a midnight screening at the Cannes Film Festival, and WHITE FANG by Alexandre Espigares, due to be released in August 2018.

FilmoTV

Talks initiated in 2017 with existing partners such as telecommunications providers for the purpose of initiating new business models (including pooling and integration in bouquets) should lead to new business opportunities in 2018. FilmoTV is also looking into local sales opportunities in other European countries, primarily in French-speaking Switzerland and Belgium. This work will continue in 2018.

3.4 Overall statement from the Management Board about the Group's development

Wild Bunch intends to remain a pioneer in the film and entertainment market, specifically by strengthening its operations in the growth segments of VOD/SVOD and online cinema.

Its pan-European presence, measures to expand the portfolio and exploitation of the current digital revolution are important factors for its future success. In 2018, Wild Bunch will concentrate on successfully implementing its refinancing measures, further adapting its business model to the changes in the market and exploiting the resulting advantages. In the future, this should lead to revenue growth from Wild Bunch TV's business activities, or increased business activities in electronic direct sales, for example.

Because the financial resources for acquiring films were limited in 2017, the Group's portfolio contains significantly less new content for 2018. The Management Board expects investments amounting to approximately EUR 25 million in 2018, and a marked increase is planned for 2019 and 2020.

As a result, the Management Board anticipates considerably lower sales revenue in 2018 than in 2017 (EUR 101.4 million). This revenue decrease should be compensated for through increased investment in film rights in 2019, and should lead to increased sales revenue in the following years.

At the same time, the operating margin should be increased through an improvement of the portfolio performance, according to the Management Board's expectations. The Management Board therefore anticipates higher EBIT for 2018 than in the previous year (2017: EUR 0.7 million). This does not include any special effects associated with the capital measures described below.

The Management Board is planning to implement a series of refinancing measures, for which it was able to gain approval from the company's main creditors and investors, which in July 2018 led to the end of court supervision of negotiations. The short-term objective is the financial restructuring of the Group through a clear reduction in the Group's debt, the short-term inflow of additional cash and cash equivalents from company loans in the amount of approximately EUR 30 million and medium- to long-term financing of investments.

As part of the restructuring, Wild Bunch AG's share capital will first be reduced at a ratio of 40 to 1. The share capital will then be increased through two non-cash capital increases against the takeover of existing bank liabilities and other liabilities belonging to the French companies (particularly Wild Bunch S.A.). As the first step, these liabilities with a total volume of EUR 62.7 million will be taken over by an investor who is obliged to contribute EUR 36.6 million to

Wild Bunch AG through a non-cash capital increase under the exclusion of shareholders' subscription rights, which will reduce the Wild Bunch Group's financial liabilities by the same amount. The remaining EUR 26.1 million will continue to exist as a loan.

In addition, the creditors of the 8% corporate loan with a total face value of EUR 18 million taken out in 2016 shall resolve to swap all promissory notes held for new shares in Wild Bunch AG through an additional non-cash capital increase under exclusion of shareholders' subscription rights. As part of the debt-equity swap, the loan creditors shall receive acquisition rights on new Wild Bunch AG shares. If the debt-equity swap is successful, Wild Bunch AG's financial liabilities will fall by a further EUR 18 million. This would reduce the financial liabilities of the Wild Bunch Group by EUR 54.6 million.

In order to boost the Group's financing and investment capacities, as envisaged in the business planning, the investor intends to provide the Wild Bunch Group with interim financing of up to EUR 15 million that will be replaced by another company loan in the amount of EUR 30 million following the successful completion of the capital measures mentioned above and a resolution of the General Shareholders' Meeting at the end of September 2018.

The implementation of the restructuring measures depends largely on the German Federal Financial Supervisory Authority (BaFin) exempting the investor from the duty to make a takeover offer.

Another element of the Management Board's current credit agreement with Bank Leumi is the extension of the currently approved EUR 30 million credit line to a total volume of up to EUR 100 million. The conditions for this extension are the French subsidiaries' entry into the agreement, with them providing collateral for the financing, and the approval of the investor. The amount of funds that the Group will then actually have access to is dependent on the assets identified as belonging to the borrower.

In addition to the named steps for optimising net assets, the Management Board also plans operational measures to improve the earnings situation.

4 Report on opportunities and risks

4.1 Risk report

Basic methodology in place for determining risk

Risks are evaluated on the basis of the likelihood of their occurrence and the potential financial damage. The arithmetic mean of the sum of likelihood of occurrence and the potential damage provides the relevance of the overall risk.

The following levels of likelihood of occurrence were used in evaluating risk:

Class	Probability of occurrence	2016
1	Very low	0 % - 25 %
2	Low	25 % - 50 %
3	Medium	50 % - 75 %
4	High	75 % - 100 %

Furthermore, the following damage levels were defined for risk evaluation:

Class	Probability of occurrence	2016
1	€ 0.01 million to € 0.5 million	Relevant
2	over € 0.5 million	Material

Risks assigned to damage level 2 and with a level 3 or 4 likelihood of occurrence are classified as material risks and presented individually. The process for recording and classifying risks is not yet complete. This is due to be completed in the second half of 2018.

4.1.1 Market and business risks

The business models depend on their ability to suit customers' tastes, to understand user behaviour and to react rapidly to changes

- Due to the technical possibility of creating illegal copies of films and the lack of sufficient legal protection against copyright infringement, there is a risk of revenue loss.
- Market changes in the field of home entertainment are particularly shaped by digitisation, with an increase in additional offers and distribution formats that could lead to ongoing change in media use.

Wild Bunch attempts to anticipate future trends through targeted market research and user analyses. The attractiveness of our products is increased through the creation of user-friendly programmes and materials. We are reducing the effects of piracy through lobbying, campaigns to raise awareness and consistently pursuing legal action against infringements in order to mitigate revenue losses. The Management Board of Wild Bunch anticipates that new legal framework conditions will lead to an improvement in the overall risk situation.

Access to licenses and materials

- Access to and acquisition of rights to literary source material, distribution rights and screenplays, along with concluding contracts with successful directors, actors and licensors, are all important factors in the co-production and acquisition of films and TV series. This is why the Wild Bunch production units work closely with renowned, experienced screenplay writers, directors and producers at home and abroad, who are experts in producing films for the big screen and have an excellent reputation with public film funding institutions.
- Third-party productions are generally acquired on their own film markets. The prices paid depend on the specific project and market in question. Films have not normally been completed yet at this stage, so the rights to financing are sold in advance based on the screenplay or an outline of development. Up to two years can pass between the acquisition and the actual delivery of the film. If a high price is paid for a film, this can have a negative impact on the Group's operating activities as well as its financial and earnings position, should the purchase turn out to be a flop.

First, these risks are monitored by the subsidiaries' employees in the rights and license purchasing departments, who have years of profound experience in the field. Second, the development of alternative formats and in-house productions is undergoing expansion in order to create a certain independence from the rights of third parties. Wild Bunch plays an important role as a leading, independent pan-European co-producer and distributor. For financing reasons, third-party productions are sold in advance before the film is complete. Several years often pass between the purchase and the actual delivery of the film. In order to reduce the financial risk of individual projects, certain rights are usually sold in advance (pre-sales, such as video and TV).

In terms of selling its products, Wild Bunch faces fierce competition

The Group's planning assumes a certain market share, as well as box office figures and proceeds from the various distribution levels. If these assumptions are not realised, the planned revenue will not be achieved. The inability to adapt cost structures in a timely manner also poses a risk. In this context, the following factors must be observed:

- Market changes in the field of cinema and home entertainment, such as decreasing viewer figures or increasing competition, could result in a decline in prices for productions or licensed products. The expiry of framework agreements or a deterioration of license holders' financial situations can lead to a decrease in the purchase prices of licenses, threatening the value of existing film rights.
- A strong competitive environment could lead to decreasing margins in cinema distribution.

The Group's diversification to include various products and markets reduces the risk of competition in individual areas/segments. Since market share and viewer figures are key factors for potential revenue, Wild Bunch aims to find appealing programme content for TV broadcasters and other platforms as well as for its films and TV series, in order to increase its competitiveness, refine its profile and improve the attractiveness of its products through higher spending on marketing.

Wild Bunch is dependent on customers and business partners

- In its direct sales, Wild Bunch is dependent on the large German, French, Italian and Spanish TV broadcasters, IPTV providers, VOD/SVOD platforms and DVD retailers. A considerable proportion of the guaranteed minimum investment amount is covered by sublicense distribution rights for films and TV series. Attainable margins may be lower than planned due to the strong position of these broadcasters or platforms.
- In international sales, the company is reliant on good business relationships with internationally active film distributors. This particularly applies to the unrestricted adherence to and implementation of the contracts signed, i.e. accepting the materials provided on delivery, paying the rates as agreed, and appropriate marketing spending and activities to accompany the release of a film.

Premature termination of individual agreements can result in higher costs due to searching for new partners and establishing new structures. Maintaining relationships with customers and business partners is therefore one of management's key tasks. Adherence to contractual provisions and the quality of the goods delivered/services provided is checked at regular intervals.

The global economic situation of a country can have a short-term negative impact on the financial status of film distributors who acquire films (depreciation of local currency, insolvency risks, etc.).

4.1.2 Operating risks

Film purchasing risks

- There is, as always, fierce competition for appealing films. In addition, purchasing films brings with it both quantitative (relating to the amount of the license fee to be paid) and qualitative risks (the film's appeal on distribution).
- The Group's purchasing approval process in particular acts to mitigate these risks. Benchmark-based purchase calculations are also employed in order to improve the quality of the prognosis. Through presales of TV licenses and DVD revenue prepayments, we aim to reduce film purchase risks even further, as early as the point of purchase itself.

Dependence on funding

- Unfavourable changes in funding guidelines or the (partial) refusal to grant funds that had been expected could result in the company facing gaps in financing for its own productions and co-productions that then have to be covered using other free funds or a change to medium-term production plans, having a negative impact on the earnings contributions made by individual films.
- There is also the risk that certain payment or distribution conditions are not met. The failure to abide by these conditions can result in the company being compelled to pay back the relevant funding.

4.1.3 Financial, accounting and tax risks

Its business activities mean the Wild Bunch Group is subject to financial risks, in particular a number of financing, liquidity and interest rate risks.

Liquidity risks that pose an existential threat

- The company needs cash and cash equivalents to cover its financial liabilities. These cash and cash equivalents are generated partly through ongoing business activity and partly through financing. The company is therefore constantly in talks with financial institutions and investors at home and abroad in order to secure access to financial resources that are in harmony with its planned investments.
- Liquidity risks arise when the Group is unable to meet its payment obligations, or is unable to meet them on time, neither through available liquid funds nor using the relevant credit lines. The Group's largest liquidity risk arises from lack of access to cash and cash equivalents. This can occur in particular when guarantee or framework credit agreements are called off, cancelled or not extended by banks or investors.
- A payment under the framework credit agreement may be declined if Wild Bunch is definitively and permanently unable to meet certain payment conditions made by a financing bank. There is also the possibility of a credit line being terminated during the entire term of the credit line if the borrower defaults and cannot remedy the situation within a certain period of time. Wild Bunch is subject to such default risks and therefore to direct liquidity risks when taking up financing. This is particularly the case because borrowers are not just subject to certain economically quantifiable requirements at the point in time at which the credit line is taken up: they must also remain in a certain financial condition as determined by the contract for the duration of the credit line. These are monitored over the term of the contract at regular intervals by ensuring the financial covenants are being met. A significant deterioration of the net assets, financial position and results of operations of the company discovered during the monitoring of the financial covenants can lead to a default, entitling the creditors to terminate the credit agreement.
- The credit line with Bank Leumi also provides for a cap on the funds that can be drawn, set at a certain amount of the collateral provided by Wild Bunch to the bank. It may be that Wild Bunch's financing needs are higher than the current value of the assets to be secured. This negative difference would result in Wild Bunch not being able to draw any new funds from the affected credit line or being obliged to repay funds already drawn in the amount of the deficit.

- The refusal to provide sought-after guarantee or framework credit agreements, or the termination of such agreements, would lead to Wild Bunch (taking into account the availability of working capital loans) being forced to take up more debt on the capital market or from banks in order to finance new projects over the short- and medium-term or to refinance existing liabilities.
- There is a risk that if the Group's financial situation deteriorates, it would not be able to access further funds or sufficient funds, or only at unfavourable conditions. If Wild Bunch cannot pay these loans as they fall due, there is a risk that the relevant creditors would seize the collateral provided by Wild Bunch.
- To secure short- and medium-term financing, the Wild Bunch Group entered into a framework credit agreement in April 2017, including revolving credit lines amounting to EUR 30 million opened with a bank. During the provision of this financing, unrestricted access to the loan funds is dependent on Wild Bunch reporting and verifying on a monthly and quarterly basis that it has attained the economic figures upon which the framework credit agreement was concluded.
- In order to meet its reporting obligations under this agreement, the Management Board has initiated the restructuring of its financial department, which is due to be completed in the 2018 financial year. The financial covenants mainly relate to the following performance indicators: the EBITDA ratio, i.e. consolidated EBITDA in relation to sales revenue, liquidity ratio, i.e. the volume of financing sources available in comparison to the expected financing needs, leverage ratio, i.e. net debt in relation to consolidated EBITDA, and a guaranteed minimum balance sheet equity. The Management Board assumes that the financial covenants named above will be met based on the forecast performance in the business plan, meaning the company will not be subject to any liquidity risks. This is also particularly due to the fact that the Management Board was able to assert these financial covenants during financing negotiations, which it can assume will be met based on its planning. However, the Management Board cannot completely disregard the fact that attaining the EBITDA ratio and equity margin is subject to certain risks. In order to attain the EBITDA ratio, the investments planned for 2018 must be implemented in full, which in turn depends on the company having sufficient access to cash and cash equivalents. Wild Bunch is particularly at risk of not attaining the EBITDA ratio if the consolidated EBITDA equates to less than 35% of the sales revenue for twelve months running in the period under review. As far as the minimum equity is concerned, there is a risk that the company's hidden reserves (goodwill) do not contribute to the company's total value to the extent anticipated by the Management Board and an impairment must be recognised that impacts the Group's equity accordingly. In this context, significant impairment of goodwill could lead to the company falling short of the minimum equity. However, Wild Bunch AG can counter changes to equity that threaten the covenants by implementing capital measures using approved capital. However, the latter depends on approaching investors and securing their interest. Capital measures of up to 10% of the equity are not subject to any form requirements, meaning they are available at short notice. The Management Board was able to secure a waiver of the applicability of the financial covenants for the implementation period of the restructuring measures described in 3.4, provided certain contractual conditions are met. The Management Board therefore assumes that the risk of the framework credit agreement being terminated due to defaulting on a contractual financial covenant is significantly reduced in 2018, at least until the restructuring measures have been completed.
- If the company does default, the Wild Bunch Group will face a liquidity risk that will pose a threat to its existence, but the Management Board is also of the opinion that the risk may not necessarily come to pass; if the covenants are not met, an "acceleration" takes place that entitles the creditor to decline further withdrawal of funds and make the financing repayable in full, but this is normally a last resort if adjusting the financing (partially with an unfavourable cost structure for the borrower) and previous attempts to find solutions with the creditor have failed.
- In June 2018, the Wild Bunch Group decided on an extensive restructuring agreement including the measures described in 3.4. Risks arise for the company in relation to performing the restructuring measures: actual and full restructuring is first of all dependent on BaFin releasing the investor from the duty to make a takeover offer to the company's shareholders. The implementation of the restructuring measures is also dependent on the company's General Shareholders' Meeting approving the intended capital measures. If the planned restructuring measures cannot be implemented, the Wild Bunch Group's existence would be threatened.

Summary of risks that pose an existential threat to the company

Risks that could pose a threat to the Group's or individual Group companies' existence, should they occur, are presents in the following aforementioned areas:

In April 2017, the Group concluded a framework credit agreement in the amount of up to EUR 30 million. This could be made payable in full by the bank if the agreed financial covenants (including EBITDA ratio and minimum equity) are breached. The Management Board assumes according to current planning that these financial covenants will be met. There are also further contractual reporting obligations, which, if not met, may also lead to the bank making the granted credit immediately due. There is a particular risk that the financial covenants may not be met if the Group's financial situation deteriorates. If credit becomes immediately due, the Group's continued existence depends on procuring other sufficient financial means at short notice.

The continuation of the Group also requires that the refinancing measures described in 3.4 and 4.3.1 are implemented. If these are not fully implemented, or are not implemented to the required extent, then the continuation of the company will depend on its ability to procure other sufficient funds.

An additional financing need, beyond the refinancing measures described in 3.4 and 4.3.1, may arise if there is a negative difference with the business plan prepared by the Management Board. A significantly negative development would at least result in adverse effects on the planned business performance, in the opinion of the Management Board.

Risks of defaulting on the 2016/19 loan

As in the previous year, a low risk remains of the loan not being paid off as planned as part of the planned financial restructuring. The loan conditions state that the creditors have the right to cancel the loan if the interest is not paid in accordance with the contract. The Management Board considers the risk of defaulting on interest payments and the cancellation of the loan in the event of default to be extremely low. All past interest payments were paid immediately and in full.

Impairment of assets

- As of the reporting date, the Group held considerable financial and non-financial assets, such as film assets.
- The Group's goodwill, film assets and certain financial assets are subject to annual impairment tests, or whenever there are reasons to suspect an impairment of assets. Where no fair value is available, the measurement approach is calculated based on the Management Board's estimates and assumptions. These are based on the most current information available.
- The actual development, which is often outside of the company's sphere of influence, and the financing available for implementing business plans can deviate from the assumptions made, leading to a future impairment of company assets and the need to adjust the carrying amounts. This can have a negative impact on the result.

Exchange rate risks

- Exchange rate risks exist in particular with regard to the U.S. dollar, as the majority of film rights acquired on the international film market are paid for in U.S. dollars. The proceeds generated from the distribution, on the other hand, are primarily in euros.
- Fluctuation in the EUR/USD exchange rate can impact the earnings position and lead to both foreign exchange gains and losses.

Credit risks

- Credit risks arise when a debtor cannot meet repayments or cannot meet them on time. Credit risks include both the direct default risk as well as the risk of a poorer credit rating.
- The potential risk of default on receivables is accounted for on a continuous basis through regular monitoring and, where necessary, impairments.

Interest rate changes

- The interest rate risk primarily concerns financial liabilities. The Group currently has current and non-current financial liabilities with variable interest rates amounting to EUR 74,016 thousand (previous year: EUR 60,158 thousand).
- If interest rates rise, the Group would be forced to pay higher amounts of interest in some cases.

Risks resulting from future tax audits

- Wild Bunch AG believes that all tax returns filed by the Group and individual Group companies were accurate and complete. Nevertheless, there is a risk that the requirement to meet additional tax claims may arise if the authorities come to different conclusions on tax matters. The earnings position may be negatively affected if tax assessments differ.

4.1.4 Legal risks

Risks from legal disputes

As an international company, Wild Bunch is exposed to a number of legal risks. These risks particularly pertain to copyright law, corporate law, securities trading law and labour law. The results of ongoing, pending or future proceedings often cannot be determined with certainty, which may result in expenses from court or authority decisions or settlement agreements that are not (fully) covered by insurance policies and may have a significantly negative impact. As of the reporting date, the total risk from legal proceedings initiated by Wild Bunch Group companies amounted to a maximum of EUR 250 thousand.

Copyright infringement

- The technical possibility of creating illegal film copies can lead to an infringement of rights under copyright law.
- Internet piracy in combination with complex technology can lead to losses if no suitable countermeasures are taken.

Regulatory risks

As a pan-European company, Wild Bunch's business activities are subject to regulations and the legal frameworks both in the countries where the Group companies are based and at a European level. Unforeseen changes in the regulatory and legal frameworks can impact the companies' individual business operations. Wild Bunch's operational business activities are particularly subject to regulatory risks in cases in which they affect the making and distribution of films and media content. The company is represented in interest groups and professional associations through its managers and employees in order to ensure that its interests are represented as fully as possible.

In Germany for example, a change to copyright contract law came into effect in March 2017, which means that creators are entitled to a higher share of the commercial success of film productions, if the film performs above average. To substantiate possible claims, the creators have a right to information from the film distributor regarding the proceeds generated from the film, which could lead to higher administrative expenses.

This has highlighted that the protection of local cultural assets, which includes films, and local companies that are active in the entertainment industry is an important and ongoing focus for national and European regulations.

Overall, regulatory and legal risks to the company are classed as low and manageable if they do indeed arise.

Risks from official proceedings

Management cannot currently rule out that BaFin could theoretically open official proceedings against Wild Bunch AG to fine it in connection with the publication of the 2016 half-year report published on 21 March 2017 or with regard to the 2015, 2016 and 2017 annual reports.

4.2 Report on opportunities

4.2.1 Opportunity management

As with its risk management, the Wild Bunch Group pursues opportunity management in order to implement its strategic and operational objectives swiftly and efficiently through specific activities. Opportunities may arise in all fields. Identifying and exploiting them in a purposeful way is a task for management that is present in their everyday decision-making. Comprehensive market research is a significant element of handling opportunities in a structured manner.

4.2.2 Information regarding individual opportunities

Akin to the definition of the risk report, the Group defines an opportunity as a potential future development or future event that can lead to a positive departure from the forecast or target. This means that events that are already included in the budget or in medium-term planning are not considered an opportunity according to this definition and are not dealt with in this report.

The Wild Bunch Group recognises opportunities arising from the distribution and development of licenses, formats and materials already secured as well as their inclusion in a distinct international network

The Wild Bunch Group, which has become one of the leading pan-European film companies, owns, in light of the new Group structure, a number of usage and/or marketing rights (especially film rights and materials) that partially extend well beyond the planning period. These form the foundation for generating income well beyond the planning period. Both the Group's image and the maintenance and preservation of a distinct network also promote access to these types of rights in the future.

The distribution of these rights can improve the attractiveness and therefore the reach of the marketing platforms more than expected, which could lead to higher future revenue than planned for.

The Wild Bunch Group recognises opportunities for strengthening its market position through entering into negotiations with copyright holders, producers, actors and customers, for instance

Synergies that surpass expectations may result from the successful merger of Wild Bunch and Senator and the resulting improved market position. This applies in particular to purchasing, costs and financing. The marked increase in the company's size and the international orientation may, for example, lead to the company securing rights and contracts with copyright holders at much more beneficial conditions than originally expected due to its stronger negotiating position. As a result, the more open and efficient access to talent may result in business opportunities that have not yet been taken into consideration in our planning.

The Wild Bunch Group recognises opportunities arising from increasing digitisation and the associated changes in media usage behaviour

Media consumption is changing due to increasing digitisation. For example, the electronic distribution of video content will replace buying and renting physical videos (DVD and Blu-ray) in the coming years to become the second largest source of income, according to the PwC Media Outlook 2015–2019. The Wild Bunch Group is continually developing its business model and is working on introducing new direct sales channels. Due to the increasing pressure to support digitisation, online cinema will become a new sales channel for "event films", while FilmoTV will be a new sales channel for the Group's French VOD/SVOD services. The Group has also developed new ways to license and market its rights, which, thanks to agreements with digital sales partners, offer new digital marketing opportunities, including productions for international and national providers such as Netflix. Its pan-European positioning for films and TV series and its solid and well-known brand have given Wild Bunch a strong footing in the media industry.

The Wild Bunch Group recognises opportunities in the continued popularity of TV services with viewers, users and advertisers

From the customers' point of view, TV remains the media stronghold in the area of film entertainment. Today, TV's appeal doesn't just lie in the larger reach that advertisers can attain in a short period of time or its ability to raise their profile, but also in the fact that TV has reinvented itself and managed to go from linear to non-linear programme planning. This has attracted younger, more flexible and more independent viewers who constantly demand new content. Online TV, with its endless opportunities for customised advertising, combines the broadcasting capacity of intensified advertising with the viewers' need for a broader range of quality products. Higher advertising income should boost networks' acquisition activities further in order to satisfy viewers' demands for new products. The Management Board believes that the establishment of Wild Bunch TV will result in important opportunities. The internal co-production and marketing unit for international TV series is focussing on the challenges posed by the growing market for TV services. Now that two TV series with international appeal have been successfully produced and sold, management perceives opportunities to sell more TV series that are being developed by the unit than originally planned.

The Wild Bunch Group recognises opportunities in the further internationalisation of business

The Wild Bunch Group is currently present on most important European film markets (Germany/Austria, France, Italy and Spain). In addition to the further penetration of these core markets, expansion into new markets offers opportunities that may go beyond the Group's current planning. Other important opportunities may arise from rapidly developing regions such as China, India and South America. Depending on how these potential market entries develop, these measures may lead to higher revenue than planned. Attractive conditions were created on the Chinese core market with the establishment of the China Europe Film Fund (CEFF) last year, which provides a unique environment for developing and financing Chinese-European joint productions that may lead to additional growth opportunities.

The Wild Bunch Group recognises opportunities in further cooperation and company mergers

Important synergies and more intensive or accelerated internationalisation of business activities could, for instance, result from acquisitions or mergers; this is not currently taken into consideration in planning. In addition, the extent to which the existing film library is used could be boosted by new sales channels as a result of M&A transactions. The experience and reputation of the Group's management allow the company to play an active role in bringing film distributors and producers together.

4.3 Overall assessment of the opportunities and risks

Based on the information available and the estimates, particularly of the likelihood of occurrence, the maximum damage and the effect of countermeasures opted for, the Management Board of Wild Bunch AG is of the opinion that other than the risks that present a threat to its existence, listed in paragraph4.1.3., Financial, accounting and tax risks there are currently no known risks that could threaten the ongoing existence of the Group. This includes both individual risks and cumulative risks, insofar as the impact of cumulative risks can be meaningfully simulated or otherwise estimated.

However, if the expected contributions to earnings from acquired film distribution rights and from film distribution rights yet to be acquired do not develop according to plan and the operating business of the subsidiaries falls well below expectations, the continuation of the company with its prior scope of business depends materially on whether it is able to access further financing, despite financing contracts that have already been concluded and the additional funds provided by investors if the restructuring measures are successful.

The Management Board believes that the measures decided upon keep the risk within economically justifiable limits and considers the Group's risk-bearing capacity to be sufficient.

In the Management Board's opinion, the greatest opportunities lie in the further integration of the Group and the synergies that this would produce, the reduction in overheads, the growth potential and the stabilisation of income.

This would also present more opportunities from collaborating with screenplay writers, directors and producers at home and abroad as well as from access to appealing material and licenses, closer cooperation with talent and an expansion of the business model through the internationalisation of production and marketing activities, along with the possibility of making further strategic acquisitions.

5 Key features of the internal control and risk management system

5.1 Risk management system

Wild Bunch is exposed to a variety of risks and opportunities. These can have both positive and negative effects on the Group's net assets, financial position and results of operations. The risk management system applies to all areas of the Group. Strategic and operational events and measures that have a material impact on the existence and economic positions of the company are considered to be risks. This also includes external factors, such as the competitive situation, regulatory developments and others that could threaten the company's ability to achieve its goals. The material risks and opportunities are described above.

The Wild Bunch Management Board's objectives for 2017 included the Group-wide standardisation of risk and opportunity evaluation using a unified and comprehensive risk management system, the implementation of which is still ongoing and is due to be completed in 2018. Risks shall only be taken to the extent that they will have no foreseeable negative impact on company development. All employees should examine their own conduct to ensure risks that pose a threat to the company's existence are avoided.

The Wild Bunch Group's risk management system is primarily based on recording risks in detail and monitoring risks during the acquisition and distribution of film rights. Extensive analyses of the film rights' suitability for distribution and financial viability along the entire value chain, detailed estimates of sales revenues and direct costs at the individual stages of the distribution chain, and comparisons of targets with reality are all elements of risk monitoring. Liquidity management and ensuring adherence to financial target figures are monitored by the Management Board, which reports back to the Supervisory Board at regular intervals. The Wild Bunch Group also monitors the risks to which subsidiaries are exposed through ongoing communication between local management and the Management Board. The liquidity and cash flow forecast are regularly prepared from the Group's individual cash pools and consolidated at Group level through the use of customised Excel-based tools. The company plans to implement improved tools at Group level in 2018 and to optimise the underlying process.

The complete standardisation of material components of the risk management system across the entire Wild Bunch Group to improve efficiency is planned for 2018.

5.2 Internal control system

The accounting-related internal control and risk management system is designed to ensure that all events and transactions in the accounting department are recorded fully, applied and evaluated correctly, and are presented in the financial reports of Wild Bunch AG and its subsidiaries in accordance with legal and contractual obligations as well as internal guidelines. Group-wide adherence to legal and internal regulations is a prerequisite for this. We must point out, however, that despite appropriate and functional systems, complete certainty in identifying and managing risks cannot be guaranteed.

The internal accounting processes for the Wild Bunch Group are centred in the headquarters in Paris and Berlin. Certain central functions of the subsidiaries of Wild Bunch S.A. are handled in Paris. The headquarters in Berlin are responsible for the accounting for the German subsidiaries and the consolidation of the consolidated financial statements.

The Group uses SAGE as its ERP system in Paris and SAP R/3 in Berlin. The Wild Bunch Group also uses Opera to consolidate the individual Group companies. In addition, data from other IT systems is monitored to ensure correct transfer and processing. The IT systems used with regard to financial reporting are protected against unauthorised access. The Wild Bunch Group has authorisation protocols in place that are regularly updated and monitored.

The accounting department regularly prepares separate financial statements for all local Wild Bunch Group companies in accordance with local accounting regulations and reports to the Management Board with consolidated IFRS financial information every six months. Reporting packages for the relevant companies are prepared in the individual countries for consolidation purposes. These form the foundation of the consolidated financial statements. Material aspects of the reporting (including film assets and provisions) are the basis for the items used in the spreadsheet calculations. The Management Board plans to introduce IT databases for these areas in the 2018 financial year.

Following the merger of the former Wild Bunch S.A. and Senator Entertainment AG into Wild Bunch AG, the standardisation of the accounting processes within the merged Group was launched. This required changes to the accounting methods of Wild Bunch S.A. Past accounting errors were also identified, which resulted in a retrospective adjustment of Group figures in accordance with IAS 8 in the Wild Bunch AG consolidated financial statements for the 2015 financial year. These arose as a result of the different accounting processes used in parts of the Wild Bunch Group in 2014 under capital market-oriented conditions. The standardisation of the accounting processes was begun in 2015, but the application of Group-wide accounting processes in daily accounting will be improved in the coming year.

Due to the circumstances mentioned above and complex presentation and consolidation issues in connection with the reverse acquisition, the financial statement preparation processes were delayed in 2015 and 2016.

The controlling department regularly examines expenses and income recorded for individual film distribution rights, i.e. recorded ingoing and outgoing payments that pertain to these rights.

Wild Bunch AG has a suitable system of internal guidelines that covers compliance issues, authorisation protocols for orders and concluding contracts, signatory authorisations and internal accounting guidelines. Material processes are documented using flow charts and contain a description of the monitoring measures integrated into the processes. The guidelines and documentation are regularly updated.

The Supervisory Board also regularly deals with material issues relating to accounting and the associated internal control and risk management system.

6 Disclosure required by takeover law pursuant to Section 315 (4) of the German Commercial Code (HGB)

In accordance with Section 315 (4) HGB, corporations that take advantage of a regulated market as described in Section 2 (7) of the German Securities Acquisition and Takeover Act through distributing shares with voting rights must make the following disclosures in their management reports:

Composition of subscribed capital:

Wild Bunch AG’s share capital amounts to EUR 81,763,015. It is divided into 81,763,015 no-par-value shares. There are no other types of share. Please refer to the disclosures in the notes to the Wild Bunch AG annual financial statements as of 31 December 2017 for information regarding conditional and authorised share capital.

Restrictions on voting rights or the transfer of shares:

The Management Board is not aware of any restrictions relating to voting rights or the transfer of shares.

Direct or indirect shareholdings in capital that exceed ten per cent of the voting rights:

Shareholdings in Wild Bunch AG that exceed 10% of the voting rights are listed in the notes to the Wild Bunch AG annual financial statements as of 31 December 2017, which are available online at www.wildbunch.eu/investors/publications/. In accordance with the German Securities Trading Act, the current voting rights notifications are available at www.wildbunch.eu/investors/the-share/.

Shareholders with special rights that confer powers of control:

There are no shares with special rights that confer powers of control.

Types of voting rights control if employees hold shares but do not directly exercise their rights of control:

The Management Board is not aware of any employees holding shares who do not directly exercise their rights of control.

Legal regulations and provisions of the Articles of Association regarding appointing and dismissing members of the Management Board and amending the Articles of Association:

Members of the Management Board are appointed and dismissed in accordance with Sections 84 and 85 of the German Stock Corporation Act (AktG). Amendments to the Articles of Association follow Sections 179 and 133 AktG, according to which the Supervisory Board is authorised to decide on amendments that only concern the wording of the Articles of Associations and do not constitute substantive changes.

The powers of the Management Board, particularly relating to the ability to issue and buy back shares:

The Management Board of Wild Bunch AG was authorised by various General Shareholders' Meetings to acquire own shares up to a total volume of 10% of the share capital existing at the point in time of the resolution, most recently for the period up to 29 June 2020 by resolution of the 2015 General Shareholders' Meeting. The last acquisition of own shares was at various points in the 2000 financial year. As of the reporting date (31 December 2017), Wild Bunch AG held 2,414 treasury shares with a nominal value of EUR 2,414, or around 0.003% of the share capital. By further resolutioin of the 2015 General Shareholders' Meeting, the authorised capital 2012/I was cancelled to the extent that the company made no use of it, and a new authorised capital was determind, which authorises the Management Board, subject to approval by the Supervisory Board, to increase the share capital until 29 June 2020 by up to EUR 37,165,007.00 (Authorised Capital 2015/I). Of this amount, EUR 29,732,007.00 is still available to the company for use. The Management Board was authorised, by the 2015 General Shareholders' Meeting, to issue bearer or registered convertible bonds or option bonds with a total nominal amount of up to EUR 19,750,097.00 on one or more occasions until 29 June 2020. Contingent Capital 2015/I is only to be used if the bearers of convertible rights or options exercise such rights, or if conversion obligations from such bonds are met. Contingent Capital 2015/I was entered into the commercial register on 7 July 2015

Material company agreements that apply as a result of a change of control following a takeover bid:

In the event of a change of control, some members of the Management Board have extraordinary rights to terminate their contracts. In this case, the Management Board members Mr Grimond, Mr Chioua and Mr Maraval are entitled to their total remuneration (fixed salary and performance-related remuneration) until the end of the regular contract term, capped at the amount of the total remuneration for two years. Mr Sturm’s contract contains no such arrangements.

Company compensation agreements for the event of a takeover bid by which members of the Management Board or employees are affected:

There are no compensation agreements in place with the members of the Management Board or the employees for the event of a takeover bid.

7 Corporate Governance Statement pursuant to Sections 289f and 315d HGB

The statement pursuant to Sections 289f and 315d HGB is available at http://wildbunch.eu/investors/corporate-governance/#home.

8 Report on affiliated companies

Pursuant to Section 312 AktG, the Management Board has prepared a report on its relationships with affiliated companies, which contains the following concluding statement:

> *"We declare that the company received appropriate compensation for all legal transactions with controlling and affiliated companies according to the circumstances known to us at the time at which the legal transaction took place, and that the company was not disadvantaged by the measures taken or omitted in this manner."*

No legal transactions took place or measures were taken, nor were they omitted, at the initiative of or in the interest of the controlling company or any affiliated company.

9 Remuneration report

Members of the Management Board receive a fixed annual salary (including a subsidised pension and, in some cases, subsidised health and care insurance) and some receive a bonus, which takes into account business performance, the economic position of the company and the performance of the member of the Management Board in accordance with Section 87 AktG. Performance-based remuneration cannot exceed EUR 275 thousand per year. The basis of the remuneration system has not changed since the previous year.

Management Board contracts do not contain any express confirmation of severance payments for employment relationships that end prematurely However, severance payments may result from individual termination agreements.

Members of the Supervisory Board receive fixed compensation, the amount of which is determined by resolution of the General Shareholders' Meeting. They are also reimbursed for any expenses incurred due to their Supervisory Board activities and for any VAT due on these amounts.

For more details, please see item 5.10 of the Notes to the consolidated financial statements, "Total remuneration of the Supervisory Board and the Management Board".

Berlin, 6 August 2018

Vincent Grimond
Chief Executive Officer (CEO)

Max Sturm
(CFO)

Brahim Chioua
(COO)

Vincent Maraval
(CCO)

20. GROUP MANAGEMENT REPORT AND MANAGEMENT REPORT 2018

This combined Group and Management Report of Wild Bunch AG has been prepared in accordance with § 315 HGB (German Commercial Code). It is based on the provisions and recommendations of German Accounting Standard No. 20 (DRS 20). Unless explicit reference is made to Wild Bunch AG or the Wild Bunch Group (hereinafter referred to as "Wild Bunch" or the "Group"), the statements apply equally to Wild Bunch AG and the Group. The information presented on the Group's business performance and financial position is based on the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

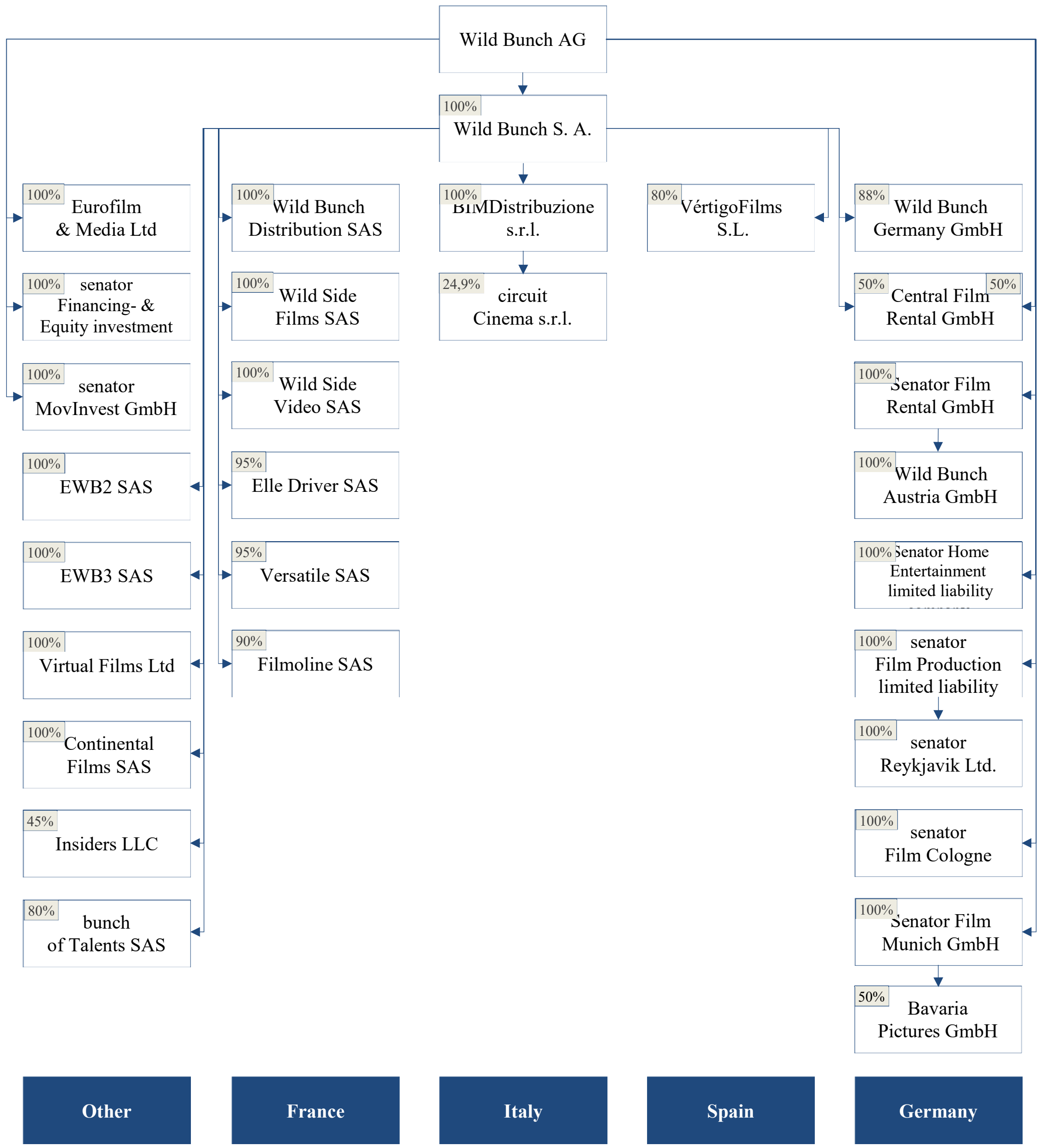
Totals and percentages are calculated on the basis of non-rounded euro amounts and may differ from a calculation based on the reported thousands or millions of euro amounts.

1. Principles of the Group

1.1. Group structure and business model

The Group operates in the two segments "International Distribution and Rental and Film Production" and "Other". The "International Distribution and Film Production" segment comprises the production and distribution of films. The "Other" segment comprises the operation of a VOD platform and other activities. As the holding company, Wild Bunch AG performs a holding function and is responsible for management, financing, corporate law, communications and information technology (IT).

The Group structure with the major shareholdings as at 31 December 2018 is as follows:



1.2 Business model

Wild Bunch is a leading independent European film distribution and production company active in direct distribution in France, Italy, Germany, Spain and Austria, in international sales and in the financing of co-productions and electronic direct distribution of films and TV series. The activities of the Wild Bunch Group cover the entire value chain of film production and distribution, from the production of feature films to international sales, cinema distribution and digital distribution (TV, home entertainment, VOD/SVOD). With its diverse editorial policy, the company continuously offers new and innovative films from all over the world by investing in European film productions as well as in American and international independent films. Thanks to its international distribution activities through the distribution labels Wild Bunch, Elle Driver, Versatile and Insiders, the company is able to offer international cinema films to film distributors and broadcasters worldwide. Wild Bunch strives to be different and brings together the indispensable classic know-how of talent management and high-quality content production with a radically new market approach and innovative approach to maximize the commercial value of such content. This includes focusing the business on alternative distribution channels against the background of digitization and focusing on the production and marketing of high-quality content in the film and entertainment market.

The company has a Europe-wide distribution network and is currently active in direct distribution in five markets: in France with Wild Bunch Distribution SAS and Wild Side Film SAS, in Italy with BIM Distribuzione S.r.l. (hereinafter referred to as BIM), in Germany with Wild Bunch Germany GmbH (hereinafter referred to as Wild Bunch Germany) and Central Film Verleih GmbH, in Spain with Vértigo Films S.L. (hereinafter referred to as Vértigo) and in Austria with Wild Bunch Austria GmbH.

As part of its corporate strategy, Wild Bunch intends to continue its geographic and content expansion, provided the necessary investment funds are available. With the label Wild Bunch TV, founded in September 2015, the company focuses on co-production, financing and marketing of international TV series. Since 2017, the company has also been developing a uniform digital strategy for its products under the Wild Bunch Digital label.

Wild Bunch currently offers a library of over 2,500 film and series titles of various genres and currently distributes up to 50 new independent films a year. The size and quality of the film library make Wild Bunch an important partner for all customers, from TV broadcasters to digital video content providers.

Wild Bunch has developed alternative approaches to commercialization, largely based on new electronic distribution channels and a redesign of scheduling.

The company has positioned itself in the electronic direct selling market with its French VOD/SVOD platform FilmoTV. Through partnerships with traditional broadcasters, the company continues to expand the reach and content of FilmoTV.

In addition, Wild Bunch was one of the first distribution companies in Europe to launch e-Cinema activities by offering an alternative distribution model to attract audiences to "event films" and their economic potential.

Aware of VOD's growing market share worldwide and the limited availability of cinema screens, Wild Bunch offers these films either directly to various VOD services or, if permitted by law, simultaneously via VOD and in a limited number of cinemas.

1.3 Staff

The Group had an average of 149 employees (including management) in 2018, a slight decrease compared to the previous year (2017: 155 employees). This also reflects efforts to reduce overhead costs over time.

1.4 Research and Development

Wild Bunch does not conduct any research and development activities in the narrower sense. Accordingly, there are no allocable expenses for research and development.

1.5 Control system

The Executive Board of Wild Bunch AG is responsible for the strategic orientation and management of the Group. The operational responsibility of the Group companies lies with their respective management. These companies are managed through shareholders' meetings, strategy meetings, short- and medium-term planning and regular reporting on the course of business. The Executive Board has aligned the internal management system with the Group strategy and defined suitable control parameters. An important module of the internal management and control system is the regular recording and updating of key figures and data as well as reporting to the Management Board and Supervisory Board. In particular, the performance indicators presented in 2.2. are the subject of analysis and reporting. Reporting and analyses are supplemented by the accounting-related internal control and risk management system (see Section 4.), in particular detailed risk recording and risk monitoring in the acquisition and exploitation of films.

2. Economic report

2.1 Macroeconomic and industry-specific framework conditions

2.1.1 Business environment

The regional focus of the Wild Bunch Group's operating activities is primarily on France, Germany/Austria, Italy and Spain. The Wild Bunch Group is also active in non-European markets, such as the USA, primarily through film purchases or its international sales activities. Accordingly, the overall economic development, especially in these countries, is of enormous importance for the success of the Wild Bunch Group.

According to the International Monetary Fund (IMF) in its World Economic Outlook in April 2019, it expects the global economy to grow by 3.6% in 2018. In subsequent years, estimates are at 3.3 % for 2019 and 3.6 % for 2020. The IMF therefore expects growth in the global economy to slow in the coming years. The IMF sees the reasons for this outlook in particular in weaker economic development in Europe and Asia. For example, rising trade tensions between the USA, Europe and China, the rising country and financial risk in Italy, an uncontrolled exit from the EU by Great Britain and the possible stronger slowdown in economic growth in China are all influencing the growth dynamics of these regions. Globally, the IMF is also concerned about the deterioration of the financial market sentiment, triggered by tightening financing conditions and further indebtedness in the private and public sectors, as well as unresolved budget problems such as those in Italy and the USA.

Broken down to the individual regions and countries, there are major differences in economic development.

After a strong development of 2.9 % in 2018 (previous year: 2.2 %), the IMF estimates that the US economy will grow by 2.3 % in 2019.

For the European Union, the IMF expects growth of 1.8 % in 2018 after 2.4 % in 2017. Growth is expected to decline further to 1.3 % in 2019.

Wild Bunch's key markets also experienced a slowdown in economic momentum in 2018.

According to the IMF, the French economy grew at a rate of 1.5% in 2018, compared with 2.2% in 2017. For 2019, the IMF predicts steady growth of 1.3%.

The German economy also recorded growth of 1.5 % in 2018 (previous year: 2.5 %). However, the IMF expects a further slowdown with growth of only 0.8 % in 2019.

For Italy, the IMF reports economic growth of 0.9 % in 2018 compared with 1.6 % in the previous year. Growth is expected to continue to decline in 2019 and move at a rate of 0.1 %.

According to IMF estimates, Spain's gross domestic product again grew strongly by 2.5 % compared with 3.0 % in the previous year. However, the IMF expects the pace of growth to slow, with the result that only 2.1% growth is forecast for 2019.

The exchange rate between the euro and the US dollar can also have a major influence on the business activities of the internationally active Wild Bunch Group.

According to data from the European Central Bank (ECB), the share was quoted at 0.83 euro / US dollar at the beginning of 2018. After an initial further decline, the value of the US dollar rose continuously from May 2018 onwards and closed the year at a rate of 0.87 euro / US dollar on the last trading day.

2.1.2 Industry-specific framework

The Wild Bunch Group operates in a challenging market environment of the entertainment & media industry.

According to the "PwC Global Entertainment & Media Outlook 2018 - 2022", the industry is currently experiencing another multifaceted wave of convergence towards a direct-to-consumer relationship between different market participants and with different origins of the respective business models.

Market drivers in this environment include, among others:

- the everlasting and technically improving consumer connectivity that enables round-the-clock delivery of content and experiences, direct and digital
- that consumers' mobile end devices serve as the primary point of contact for the content provider
- the search of market participants for new sources of income leads to new innovative products, services and media experiences
- the technologically and content-driven trend towards platform offerings, which will enable consumers to monetize more efficiently in the future
- The increasing personalization of consumers' entertainment & media experiences, leading to new and innovative approaches based on data analysis and new technologies to improve decision making.

Despite or precisely because of these convergence efforts and the associated sector changes, PwC is expecting an average annual growth rate of 4.4 % for worldwide sales in the Entertainment & Media sector for the period 2017 to 2022, in which the Entertainment & Media industry is expected to generate total sales of 2.4 trillion U.S. dollars.

PwC expects that only high-quality content will enable providers to establish a direct-to-consumer relationship with consumers of all demographics and technological devices with a strong, loyal customer base and a high degree of usage in terms of duration and scope, thus enabling them to monetize their business models accordingly. The content has to be tailored to the personal wishes and preferences of the consumers and at the same time conveys an incomparable user experience. This personalized user experience can be seen throughout the entire entertainment & media industry, for example by combining newspaper content with audio/video sequences. Further examples: Social media platforms integrate video streaming offerings, especially from sporting events, film studios produce video series, the gaming industry combines its mobile gaming offerings with live videos. Technological progress and advancing digitalization make it possible for providers to expand their offerings and services. New financially strong market participants with different roots in their business models are courting direct customer relationships with a wide range of services from production to rental and resale of content. Among other things, the new fifth generation of the mobile communications standard (5G) is regarded as the next major growth driver in mobile access to media content through improvements in speed, quality and reliability. Shifts in the exploitation chain, for example in home entertainment from DVD and Blu-ray to Video-on-Demand (VOD), have already taken place and will continue to take place. Market development and geographic expansion, especially of the large market participants, is globally oriented and often merely a roll-out of an existing business model into the next market.

Due to its renowned and high-quality film library, its extensive contacts to Talents worldwide and its international distribution and sales network, Wild Bunch sees itself as an established provider of high-quality content along the entire exploitation chain that is so well positioned to profit from the development described above.

2.1.2.1 Cinema

In their study "PwC Global Entertainment & Media Outlook 2018 - 2022", the analysts at PwC assume a worldwide gross income of 41.4 billion dollars in 2018. The global cinema market is driven by a high number of new cinema openings in the Asia-Pacific region and by the competition between individual countries to attract large international productions through tax breaks and other film subsidies. Other market drivers are the large US production companies, which aggressively market their films internationally, a shift towards an older cinema audience, particularly in the saturated markets, and greater consolidation among cinema operators. Film piracy continues to be seen as a market obstacle, especially due to the increasing digital share in the film business. While rights holders and regulators have continued to achieve legal success in this area, the impact on revenues remains significant.

France

According to an evaluation by the European Audiovisual Observatory (EAI), approximately 200.5 million cinema tickets were sold in Europe's strongest cinema market in 2018. Compared to the previous year (209.4 million cinema tickets), this represents a decrease of 4.3 %. The main market driver is the strong national film production with its focus on comedy. The share of domestic film productions amounts to 39.3 % (previous year: 37.4 %). In France, going to the cinema is an integral part of leisure activities. Nevertheless, market participants are facing growing competition from VOD platforms. The French Government has accordingly, following authorisation by the European Commission, imposed a two-percent tax on certain sales by VOD operators, making the French film market one of the most protected film markets in Europe. The additional revenue from this tax will be used to promote national film production.

Germany

With a minus of 13.9 % from 122.3 million to 105.4 million admissions in 2018, Germany recorded the strongest decline of all member states of the European Union according to EAI, which was reflected in the gross income of only 899.3 million Euro (previous year: 1,056.1 million Euro). Reasons for this market weakness included the World Cup and good, long-lasting summer weather. Ticket prices also continued to stagnate in 2018, and some blockbuster productions were lacking to move the market sustainably. Finally, the release of high-quality series productions on Netflix, Amazon Prime or Sky in competition with cinema films will also contribute to a decline in the number of cinema-goers.
In the 2018 financial year, the German cinema market was characterized by a solid and healthy performance of national productions with a market share of 23.5 %, which, however, received less international attention.

Italy

In Italy, too, there was a decline in the box office in 2018. 92.6 million tickets sold (previous year: 99.6 million) represent a minus of 7.0 % despite the expansion of the national market share from 17.6 % to 23.2 % in 2018. Revenue fell accordingly by 5.0 % to EUR 589 million (previous year: EUR 619 million).

Spain

The Spanish cinema market also declined slightly in 2018, attracting 97.3 million admissions (previous year: 99.8). This corresponds to a slight decline of 2.5 %. Revenues fell by 2.2 % to EUR 578 million (previous year: EUR 591 million).

The future development of visitor numbers in Spain will be positively influenced by falling ticket prices and the VAT reduction on cinema tickets implemented in July 2018 (from 21% to 10%).

2.1.2.2. Electronic Distribution (Over the Top - OTT-Video)

Market participants understand the segment of electronic distribution of content to mean over-the-top video offerings (OTT video). With this method, consumers can receive Internet content directly via a television connected to the Internet (smart TV) or other peripheral devices such as DVD players or game consoles. OTT Video distinguishes between two variants: Transactional Video on Demand (TVOD) and Subscription Video on Demand (SVOD).

Transactional Video-on-Demand (TVOD): rental of a video for a limited period of time; the right of use expires at the end of the period; only individual use.

Subscription Video-on-Demand (SVOD): Subscription model, with mostly monthly payment for usage rights for an (un)limited number of film titles; multiple use possible.

In order to successfully occupy the OTT video market and gain further market share, the established providers are currently pushing ahead with their investment in local content. In addition, competitive pressure is increasing as other large, financially strong media companies (e.g. Webedia, Google Play, Disney/Fox, Warner/ATT, Starz) launch new SVOD applications or platforms.

The VOD/SVOD platforms thus represent an important customer group for the Wild Bunch Group's sales activities.

France

In the fourth largest market for OTT video in Europe, the SVOD service clearly dominates with the market leader Netflix, followed by providers such as Canal Play, SFR Play and Amazon Prime Video.

Germany

As a result of the continuing shift in the viewing habits of German households away from traditional television towards video on demand on a wide variety of terminals, a mature and highly competitive OTT video market (Europe's second-largest market) has developed in Germany with a broad spectrum of market participants ranging from international SVOD providers to national pay-TV providers. In addition to the large well-known SVOD providers such as Netflix, Amazon Prime Video and Sky Deutschland, smaller providers are currently also targeting the market that occupy special genres or niches, such as DAZN in the sports sector or AMC Networks' Shudder in horror films, for example. In order to expand their catalogues, OTT providers are investing in local content in particular.

Italy

The Italian OTT video market is still at an early stage, which is also reflected in the sales figures. According to PwC, turnover in 2018 will amount to only 298 million dollars. The reasons for this restrained development are the market reality that video-on-demand is already included in the pay-TV subscription packages and the relatively poor infrastructure for broadband Internet. The expansion of the broadband structure is a prerequisite for leveraging the full revenue potential. In addition, the launch of new platforms and the increasing supply of local content and in-house productions by existing SVOD providers will influence the OTT video market in Italy.

Spain

Only the launch of Netflix in 2015 stimulated the OTT video market in Spain. In the meantime, other OTT providers such as HBO, Sky and Amazon Prime Video have entered the market.

Accordingly, according to PwC, the OTT video market's turnover in 2018 is only 158 million dollars.

2.1.2.3. TV and Home Entertainment

The largest market segment "TV and Home Entertainment" as well as the cinema segment are facing great challenges.

The changing viewing habits of consumers, coupled with the ongoing digitization with new innovative technologies and a wide variety of end devices, are forcing market participants to adapt their business models. While classic television remains the most consumed medium in terms of total lifetime, alternatives such as OTT video outstrip classic television and are likely to replace it in the long run. For several years now, the Home Entertainment segment has been being replaced worldwide by video-on-demand offerings with corresponding negative effects on sales figures.

However, growth is slowing noticeably as a result of the market saturation achieved in the developed countries.

The market participants are also no longer focusing on the strategy previously pursued of gaining market share through acquisitions or expanding geographically or expanding the range of services through multiplay offers in order to attract new consumers.

Currently, all market participants have to invest in the, mostly local, content in order to provide consumers with the best entertainment and thus increase customer loyalty.

France

free TV

The French television market is covered by free-TV channels (public with France Télévision and private with TF1, M6, ARTE), pay-TV channels (mainly Canal +) and TNT channels.

In 2018, TF1 dominated with the broadcast of the FIFA World Cup and with French and foreign TV series with 91 of the 100 highest ratings, followed by M6, France 2 and France 3; ARTE saw its largest audience increase of its history with 9% over the previous year; while Canal+ faced a decreasing number of subscribers in France by 4.4% to 4.73 million subscribers.

pay TV

The fourth-largest pay-TV market in Europe is characterized by high price pressure among providers and the demand for cheaper TV packages by consumers, who supplement them with offers from the OTT video market.

Germany

The German market for classic television is characterised by advanced market maturity and saturation. The free TV market continues to benefit from the world's second highest licence fee, which continues to play an important role in the financing of public TV programmes. It already accounts for 45.3 % of total market revenues.

The pay-TV market is characterized by the offer of more expensive premium services, extensive multi-play offers and improved technology, for example 4k UHD broadcasts, for which consumers are prepared to pay more.

In this segment, Sky Deutschland can further secure its leading role in Germany by offering premium content, especially in the sports sector.

Italy

The Italian television market is currently influenced by the macroeconomic uncertainties in Italy.

Market participants are in competition with new, more expensive premium TV packages, for example with more TV channels, new technology offerings such as 4k UHD resolutions or "TV Everywhere" offerings.

The Italian pay-TV market continues to be dominated by Sky Italy, the market leader in satellite transmission. In addition, there is no cable offer and only negligible IPTV activities. Good prospects are attributed to Mediaset's Pay-DTT (Digital Terrestrial Television), on the other hand, and the number of users is expected to increase.

Spain

The current market driver in the Spanish television market is the strong expansion of multi-play offerings, mostly even quintuple offerings (mobile communications, fixed network, (A)DSL Internet, TV and WiFi - mobile broadband), despite the fact that the market is subject to strong competitive pressure from OTT video providers. Technologically, the IPTV transmission technology leads the market for pay-TV, followed by cable and satellite.

2.1.2.4. Production

The production of feature films and TV shows, especially in Germany, and the co-production and co-financing of international TV series are also part of the Wild Bunch Group's business activities. It is therefore also possible to meet the ever-increasing demand for content in the future, especially from VOD video providers. They are primarily looking for local content in order to increase the number of users accordingly.

The Group operates in a very challenging market environment. According to the leading organisation of the film industry (SPIO e.V.), the number of German feature film premieres in the German market for film productions rose by 9% to 153 in 2018 from 141 in 2017. In the long term, the 10-year average is 145 films. 49% of new German feature films were German-foreign co-productions, with France, Austria, Switzerland, Belgium and the USA among the preferred co-producing countries in the last 10 years. 179 production companies were involved in the German premieres in 2018.

As everywhere in Europe, film support plays an important role in film production. Film subsidies can be applied for in various areas and usually represent conditionally repayable loans. For example, funding can be applied for for the production, the screenplay, an international co-production, distribution, video exploitation or for construction measures at the cinema. Although the National Film Board (FFA) reports fewer applications for 2018 than in previous years, despite a drop in the number of admissions, 10% more applications were submitted for the modernisation, expansion and new construction of its venues. Operators are increasingly investing in their cinemas.

2.2 Financial and non-financial performance indicators

Financial performance indicators

The primary goal of the Wild Bunch Group is to sustainably increase the value of the company. Revenues, gross profit[1] and the operating result (EBIT) are the key performance indicators within the Group. In the course of the financial restructuring of the Group, the Management Board also decided to use net debt as another key performance indicator.

1) Gross profit relevant for the management of individual areas in the segments; no control parameter at Group level.

Figures in TEUR	2018	2017
Turnover	81,282	101,420
Gross profits[1]	12,945	17,985
Operating results (EBIT)	-6,503	734
Net Indebtedness[2]	98,180	85,990

1) Revenue plus other film related income less cost of sales.

2) Net indebtedness is financial indebtedness less liquid assets..

Wild Bunch AG is managed according to the annual result.

Non-financial performance indicators

In addition to financial performance indicators, non-financial performance indicators or success factors are of central importance for the company's performance. These result from the specific requirements of the business model.

visitor numbers

In the "International Distribution and Broadcasting and Film Production" segment, the box office business generated by a film is a decisive factor for profitability, since the success of a cinema usually also influences the subsequent exploitation stages. Film exploitation in this segment remains a volatile business and the film releases of Wild Bunch in 2018 showed the same volatility.

Access to rights

The Wild Bunch Group competes with others to acquire rights to literary works and screenplays or to contract with successful directors, actors and film studios. For this reason, the Wild Bunch Group works closely with renowned and experienced screenwriters, directors and producers in Europe who have proven expertise in the production of feature films and TV formats.

Expertise and network of contacts

Both technical and content expertise are crucial, especially in view of the growing importance of the digital video market. Equally important are the recruitment, promotion and retention of well-trained, knowledgeable, committed and creative employees. A broad and established network of contacts as well as a trusting cooperation with business partners are also important factors for the success of the Wild Bunch Group.

2.3 Business performance and analysis of non-financial performance indicators

Wild Bunch’s traditional distribution activities (theatrical distribution and international sales) showed a significant decrease in the 2018 financial year due to the pressure on the Group’s investment capacity for the third consecutive year. The Group released only 38 films in 2018, compared to 50 films in 2017. The other sales components performed in a rather satisfactory way, with a special emphasis on the SVOD revenue.

The Wild Bunch Group responded to the financial challenges by, for example, acquiring TV series for international distribution in the following years through Wild Bunch TV and continuing to expand its production and co-production activities.

During fiscal year 2018, Wild Bunch also pursued its production/co-production strategy for films. The Wild Bunch Group co-produced or launched the co-production of films such as DEUTSCHSTUNDE, produced by Senator Film Produktion, DILILI A PARIS, 3 SAECKE GELD, KINDER DER WEIRDNESS, produced or co-produced by Senator Film Produktion, LA PARENZA DEI BAMBINI by Roberto Saviano (scriptwriter of Gomorra), co-produced by Wild Bunch and sold internationally by Elle Driver, LES INTRUS by Gonzague Legout co-produced by Wild Bunch, PETERSON AND FINDUS 3, LOTTA LEBEN and MEINE FREUNDIN CONNIE co-produced by Senator Film Produktion, the second season of OLAF MACHT MUT, produced by Senator Film Produktion for the television channel MDR, QUITTE MOI SI TU PEUX by Nadia Lakhdar, written by Leila Bekti and co-produced by Wild Bunch. In Spain, Vértigo is pre-producing the Spanish remake of the French smash hit LES TUCHE ("LOS BUITON"), jointly produced with Atresmedia, and is developing its first TV series.

Wild Bunch's International Distribution and Film Production segment covers the entire film exploitation chain and primarily comprises film distribution revenues from theatrical distribution, international sales, electronic direct distribution and home entertainment. Revenues in this segment decreased to € 76.4 million in 2018 compared to € 97.1 million in 2017.

In the Other segment, revenues increased to € 4.9 million in 2018 from € 4.3 million in 2017, which includes in particular the activities of the Group's SVOD platform rights.

2.3.1. International sales, distribution and film production segment

2.3.1.1. Theatrical Distribution

In the 2018 financial year, the Group released a total of 38 films (previous year: 50 films) in France, Germany, Italy and Spain and generated total revenues of € 13,804 thousand in these countries and slightly in other countries as well, compared with € 16,511 thousand in 2017.

Title	Director	Origin	Distribution	Release
Veronica	Paco Plaza	Spain	Wild Bunch Distribution	24.01.2018
Wind River	Taylor Sheridan	USA	Wild Bunch Distribution	08.02.2018
Final Portrait - L'Arte Di Essere Amici	Stanley Tucci	Great Britain	BIM	08.02.2018
Docteur Knock - A doctor with certain side effects	Lorraine Lévy	France	Wild Bunch Germany	22.02.2018
Ultima bandera, La (Last Flag Flying)	Richard Linklater	USA	VÉRTIGO	02.03.2018
Oltre La Notte	Fatih Akin	Germany	BIM	15.03.2018
croc blanc	Alexandre Espigares	France	Wild Bunch Distribution	28.03.2018
At the time of memories	Ritesh Batra	Great Britain	Wild Bunch Distribution	04.04.2018
Silent Man, The	Peter Landesman	USA	BIM	12.04.2018
euphoria	Lisa Langseth	Sweden	Wild Bunch Germany	24.05.2018
McQueen	Mark Steven Johnson	Great Britain	VÉRTIGO	08.06.2018
From the end of a story	Ritesh Batra	UK	Wild Bunch Germany	14.06.2018
This is just the beginning	Ron Shelton.	USA	Wild Bunch Germany	14.06.2018
A prayer before dawn	Jean Stéphane Sauvaire	Great Britain	Wild Bunch Distribution	20.06.2018
My devilishly good friend	Marco Petry	Germany	Wild Bunch Germany	28.06.2018
¡Casate, conmigo! Por favor	Tarek Boudali	France	VÉRTIGO	29.06.2018
Whitney	Kevin Macdonald	Great Britain	VÉRTIGO	06.07.2018
Une pluie sans fin	Yue Dong	China	Wild Bunch Distribution	25.07.2018
At home it is most beautiful	Gabriele Muccino	Italy	Wild Bunch Germany	02.08.2018
Goose in luck	Christopher Jenkins	USA	Wild Bunch Germany	09.08.2018

Title	Director	Origin	Distribution	Release
kings	Deniz Gamze Ergüven	Belgium	VÉRTIGO	31.08.2018
Pettersson and Findus 3 - Findus is moving	Ali Samadi Ahadi	Germany	Wild Bunch Germany	13.09.2018
Mackie Messer - Brecht's Threepenny Film	Joachim Lang	Germany	Wild Bunch Germany	13.09.2018
shoplifters	Hirokazu Koreeda	Japan	BIM	13.09.2018
Book Club	Bill Holderman	USA	VÉRTIGO	14.09.2018
Climax	Gaspar Noé	France	Wild Bunch Distribution	19.09.2018
Casa Dei Libri, La	Isabel Coixet	Great Britain	BIM	27.09.2018
girl	Lukas Dhont	Belgium	VÉRTIGO	28.09.2018
Children Act - Il Verdetto, The	Richard Eyre	Great Britain	BIM	18.10.2018
burning	Chang-dong Lee	South Korea	VÉRTIGO	19.10.2018
high life	Claire Denis	Germany	Wild Bunch Distribution	07.11.2018
Lazzaro feliz	Alice Pipe Guard	Italy	VÉRTIGO	09.11.2018
Les filles du soleil	Eva Husson	France	Wild Bunch Distribution	21.11.2018
Troppa Grazia	Gianni Zanasi	Italy	BIM	22.11.2018
Veredicto, El	Richard Eyre	Great Britain	VÉRTIGO	23.11.2018
Non Ci Resta Che Vincere	Javier Fesser	Spain	BIM	06.12.2018
Expediente 64: Los casos del departamento Q	Christoffer Boe	Denmark	VÉRTIGO	14.12.2018
Old Man & The Gun	David Lowery	USA	BIM	20.12.2018
Miraï, ma petite soeur	Mamoru Hosoda	Japan	Wild Bunch Distribution	26.12.2018
shoplifters	Hirokazu Koreeda	Japan	Wild Bunch Germany	27.12.2018

France

In 2018, Wild Bunch Distribution released nine films in France (previous year: 14 films), including the French animated film CROC-BLANC by Alexandre Espigares (478,779 admissions), the Japanese animated movie MIRAI from the Izu Studios by Mamoru Hosoda (11,124 admissions), the Spanish genre movie VERONICA by Paco Plaza (144.901 admissions), the Chinese thriller UNE PLUIE SANS FIN by Dong Yue (122,297 admissions) and the French movie CLIMAX by Gaspar Noé, described by The Guardian as "visually extraordinary, structurally and formally audacious" (60,288 admissions).

Germany

In 2018, Wild Bunch released 11 movies (previous year: 13 movies), including the adaptation of Bertolt Brecht's "The Beggars' Opera" MACKIE MESSER - BRECHTS DREIGROSCHENFILM by Joachim Lang (230,281 admissions), the 3. Part of the successful PETTERSSON UND FINDUS franchise by director Ali Samadi Ahadi based on the books by Sven Nordquist (545,514 admissions) and the Senator Film co-production MEINE TEUFLISCH GUTE FREUNDIN by Marco Petry (321,734 admissions).

Italy

In Italy, BIM released nine films in 2018 (previous year: 15 films), including the British movie starring Emma Thompson, MY LADY by Richard Eyre (327,239 admissions), the acclaimed movie SHOPLIFTERS by Kore-Eda Hirokazu (199.675 admissions), the US movie THE OLD MAN AND THE GUN by David Lowery with Robert Redford and Casey Affleck (138,664 admissions) and the Italian film TROPPA GRAZIA by Gianni Zanasi (167,478 admissions).

Spain

In Spain, Vértigo released 11 films in 2018 (previous year: 13 films). Almost all movies were released not before the second semester. Globally, 2018 was a very disappointing year for Vértigo's theatrical releases. The best performance in terms of admissions were for BOOK CLUB by Bill Holderman with 179,093 admissions and MY LADY by Richard Eyre with 123,652 admissions.

In 2018, the Wild Bunch Group made several multi territory releases in cinemas in Italy and Spain, for example, such as the films MY LADY by Richard Eyre, KINGS by Deniz Gamze Ergüven or FINAL PORTRAIT by Stanley Tucci.

But 2018 was also marked by some disappointing movies such as LES FILLES DU SOLEIL in France (26.945 admissions), HIGH LIFE by Claire Denis in France (33.660 admissions), FINAL PORTRAIT in Italy by Stanley Tucci (24.257 admissions), LAST FLAG FLYING by Richard Linklater in Spain (8,531 admissions), THE FIRST START by Ron Shelton in Germany (11,642 admissions) and FROM THE END OF A HISTORY by Ritesh Batra in Germany (21,900 admissions).

At the current stage of the strategic development of Wild Bunch, the success of the films released remains a key factor in the Group's revenues and profitability.

2.3.1.2. International sales

Influenced by the pressure on the Group's low investment capacities, global sales revenues fell significantly to € 14.5 million in the 2018 financial year (previous year: € 28.3 million). Group Wild Bunch handled international sales for, among others, the internationally acclaimed Lebanese film CAPHARNAUM by Nadine Labaki, CLIMAX by Gaspar Noé, a film that is visually exceptional, audacious and outrageous, SHOPLIFTERS, the heart-breaking drama, magnificent and full of hope by Kore-Eda Hirokazu, THE IMAGE BOOK by Jean-Luc Godard, one of the most authentic endings in the filmmaker's nearly 60-year career, LES FILLES DU SOLEIL by Eva Husson, a story of resistance and sisterhood, a fight for hope. Other films include THE MISEDUCATION OF CAMERON POST by Desiree Akhavan a sensitively adapted movie from Emily Danforth’s acclaimed eponymous coming-of-age novel, creating a refreshingly original teen movie, THE MAN WHO STOLE BANKSY by Marco Proserpio, a new adventure movie about street, art, donkeys and capitalism, KINGS by Deniz Gamze Ergüven, a family in South Central a few weeks before the city erupts in violence following the verdict of the Rodney King trial in 1992, THE SISTERS BROTHERS, a darkly comic, violent existential odyssey from multi award-winning director Jacques Audiard, THE STATE AGAINST MANDELA AND THE OTHERS by Gilles Porte and Nicolas Champeaux, based and including some recently recovered audio recordings, illustrated with stylized animation, which transport us back into the thick of the Riviona trial and the French drama COMPTE TES BLESSURES by Morgan Simon.

Wild Bunch TV with 4 series in 2018 (previous year: 2 series)

Wild Bunch TV managed to strengthen its TV series sales activities with the delivery of four new series:: TEAM CHOCOLATE by Marc Bryssinck and Filip Lenaerts, a 7 x 52' drama series for which WILD BUNCH TV sold remake rights to Canadian producer and sales partner Reel One Entertainment, and THE OIL FUND, a 10x26' Norwegian series selected for the SeriesMania Festival and created by Hollywood-based Norwegian director Harald Zwart. A brilliant, ambitious and edgy fictional drama that takes an insider look at the colliding worlds of high finance and public service; DRAGONSLAYER666, a 12x26’ Finish series, based on the award-winning book from critically-acclaimed young novelist Aleksi Delikouras. What it takes to become a champion, and how to build a team that you can trust to take with you into battle. Only this war is happening online ; MARY AND MIKE, a 7x52’ Chile spy drama miniseries. The real story of the most dangerous couple in Latin America right after Pinochet’s coup in Chile..

2.3.1.3. Electronic Direct Sales and Home Entertainment

Globally, in Wild Bunch key markets the trends remain constant: the demand for physical videos declined in 2018 while VOD was disappointing and SVOD skyrocketed, increasingly contributing to the market total revenues.

Nonetheless, some of Wild Bunch’s physical releases (DVD/Blu-ray) achieved very good sales figures and were often successfully combined with digital releases. Among the numerous DVD/VOD releases in France, STARS 80, LA SUITE with a specific marketing campaign, GARDE ALTERNEE, highest DVD sales and top VOD title for the group, the animated movie CROC BLANC released in the high season of Christmas as well as two TV series, BRITANNIA season 1 and TIN STAR season 1 released on October 31st. In Germany such movies as BALLERINA or FELT performed disproportionately well in terms of VOD revenues compared to expectations. In Italy, the DVD market is very low. BIM’s 3 highest-grossing VOD titles in revenues were THE SILENT MAN, SNOWDEN and HAMPSTEAD. In Spain, the total number of video and VOD revenues stagnated.

As far as SVOD is concerned, although Netflix remains by far the leading SVOD player in Europe, Amazon launched its SVOD activities in 2018 in several new areas and signed its first agreement with Wild Bunch in May 2018for library movies. In 2018, the group sold more than 100 titles in SVOD worldwide, mainly on the Netflix and Amazon services.

In 2018, Wild Bunch also achieved significant sales to local TV channels. In France, for example, top audiences were recognized for 9 MOIS FERME (France 2), LE GRAND PARTAGE (France 2) or LA VIE D'ADELE (ARTE).

2.3.2. Other business segment

The activities of the Wild Bunch Group in the Other segment include the operation of the company's proprietary VOD platform FilmoTV, the sale of "on-board entertainment" in aircrafts and film screenings at film festivals (e.g. Cannes Film Festival).

2018 for FilmoTV was mainly dedicated to the reinforcement of its new and innovative interface called FilmoGeneric. First, FilmoTV pursued the deployment of FilmoGeneric with more implementation at its distribution partners' sites and was launched on Orange, Playstation and Androïd TV. FilmoTV centered as planned FilmoGeneric development on personalized marketing by developing profiling tests and has thus made it possible to refine the editorial and marketing proposal and consequently improve the application's performance. FilmoTV has also set up a new marketing scheme which helped improve the service's visibility on operators' set top boxes.

In the on-board entertainment segment, the films MACKIE MESSER - BRECHTS DREIGROSCHENFILM, KIKI and A CASA TUTTI BENE were successfully marketed to airlines.

2.3.3. Other information

Awards at Film Festivals

The 2018 award season started with THE MISEDUCATION OF CAMERON POST by Desiree Akhavan, distributed by Elle Driver, who received the Grand Jury Prize at the Sundance Festival. This was followed by an exceptionally successful Festival de Cannes 2018 for Wild Bunch in terms of Awards wining with 2 Palmes d'or, the palme d'or for SHOPLIFTERS by Kore-eda Hirokazu, a special palme d'or for LE LIVRE D'IMAGES by Jean-Luc Godard ; the jury price for CAPHARNAUM by Nadine Labaki, and the Directors' Fortnight prize for CLIMAX by Gaspard Noé.

2.4. Earnings, assets and financial position of the Group

2.4.1 Overall assessment of the reporting period

In the 2018 reporting year, the Group took important steps towards financial restructuring. However, these steps could not be largely completed as originally planned in 2018, but only at the beginning of 2019. This relates in particular to the conversion of all bonds of the 8% corporate bond with a total nominal value of € 18.0 million into new shares of the company as well as the contribution of existing bank liabilities and other liabilities of the French group companies by way of a capital increase against contribution in kind in return for the issue of new shares of Wild Bunch AG. Therefore, contrary to planning, neither the financial liabilities nor the interest expenses of the Wild Bunch Group have already been reduced in the reporting year 2018. Due to the delays in the financial restructuring, investments in new films of € 18.7 million instead of the planned € 25.0 million could only be made in 2018. The continuing weakness of capital spending led to a decline in revenues in the fiscal year due to a lower number of attractive first-run revenues. The Wild Bunch Group was also unable to escape the restraint in the market for library titles. Furthermore, the restructuring costs were higher than originally planned.

These factors had an overall negative impact on sales revenues and operating profit (EBIT). The key earnings figures of the Wild Bunch Group developed as follows in the year under review:

Figures in TEUR	2017	2016
Turnover	81,282	101,420
Gross profits*	12,945	17,985
Operating results (EBIT)	-6,503	734

* Revenues plus other film related income minus cost of sales.

The Group recorded revenues of € 81,282 thousand in the year under review, which, as expected, was well below revenues for 2017 (€ 101,420 thousand) but also below the forecast. Contrary to the Management Board's forecast, EBIT in 2018 of € -6,503 thousand was well below the EBIT of the same period in the previous year (€ 734 thousand).

Originally, the management assumed that EBIT for fiscal year 2018 would be slightly above the level of 2017 after special effects from the capital measures described above and the recognition of costs related to the capital increases not affecting net income. The reasons for the deviation from the forecast were delays in restructuring and therefore lower than planned investments in new films and consequently lower revenues as well as a lower gross profit margin and higher administrative expenses. Due to the delay in implementing the restructuring measures, in particular legal and consulting costs were higher in 2018 than planned.

2.4.2. Development of the segments

2.4.2.1. International Distribution and Film Production Segment

In the 2018 financial year, revenues declined by 21.3 % to € 76,370 thousand (previous year: € 97,082 thousand); other film-related revenues amounted to € 4,420 thousand (previous year: € 6,929 thousand). The decline in revenues is mainly due to lower investments in new film titles. The individual divisions contributed to revenues as follows:

Key fugures in € thousand	2018	2017	change
International sales	14,516	28,274	-13,758
Theatrical distribution	13,804	16,511	-2,707
Electronic Direct Sales/Home Entertainment/TV	46,443	50,713	-4,270
Film production	1,607	1,584	+23
Total	76,370	97,082	-20,712

Revenues in the 2018 reporting year were offset by lower cost of sales of € 68,834 thousand (previous year: € 88,251 thousand) due to lower investment activity. Production costs include distribution costs, the amortization of film rights and the transfer of licensors. Gross profit fell to T€ 11,956 after T€ 15,760 in the same period of the previous year. The gross profit margin was 15.7 % after 16.2 % in 2017.

2.4.2.2 Other segment

In 2018, the Other segment with the VOD platform and other activities generated revenues of € 4,912 thousand (previous year: € 4,338 thousand) and other income of € 1,000 thousand (previous year: € 792 thousand). With production costs of T€ 4,923 (previous year: T€ 2,906) a gross profit of T€ 989 (previous year: T€ 2,224) was achieved. The gross profit margin fell to 20.1% (previous year: 51.3%).

2.4.3. Earnings position of the Group

At € -13,267 thousand, consolidated net income for the year was down on the previous year (€ -6,677 thousand) and well below budget. The result attributable to the shareholders of the Group amounted to T€ -13,005 (previous year: T€ -6,237).

In addition to the effects described above and the development of sales revenue and cost of sales for the segments, the following changes are to be highlighted for the 2018 reporting year:

The change in other operating income to € 3,248 thousand (previous year: € 9,404 thousand) is primarily attributable to a decrease of € 4,864 thousand in exchange rate gains and a decrease of € 1,478 thousand in income from the reversal of provisions.

Administrative expenses rose slightly to € 22,428 thousand (previous year: € 21,663 thousand), in particular due to higher than planned restructuring expenses. The personnel expenses included therein amounted to T€ 13,693 (previous year: T€ 12,679).

The financial result for the year under review amounted to T€ -6,581 after T€ -6,170 in the same period of the previous year and was below budget due to the delay in implementing the financial restructuring. It was mainly influenced by interest expenses from financial liabilities of T€ 6,598 (previous year: T€ 5,753), other interest expenses of T€ 182 (previous year: T€ 251). Other financial expenses and exchange rate losses from non-operating activities almost offset interest income and exchange rate gains from non-operating activities.

2.4.4. Net assets of the Group

The balance sheet total of the Group as of 31 December 2018 amounted to € 271,677 thousand. (previous year: T€ 282,446). On the assets side, non-current assets decreased by € 19,644 thousand (December 31, 2018: € 194,708 thousand; December 31, 2017: € 214,352 thousand), while current assets increased by € 8,876 thousand (December 31, 2018: € 76,970 thousand; December 31, 2017: € 68,094 thousand). The decrease in non-current assets is mainly due to the decrease in intangible assets by € 17,860 thousand to € 63,829 thousand. This mainly relates to film assets. Depreciation on film assets significantly exceeded new investments. The increase in current assets is mainly due to the increase in cash and cash equivalents by € 11,990 thousand to € 18,583 thousand. Trade receivables declined slightly (decrease by € 1,256 thousand to € 34,764 thousand). Overall, the development of the asset situation in the year under review reflects the lower investments in films as well as the declining business volume.

2.4.5. Financial position of the Group

The Wild Bunch Group uses both equity and debt to finance its business.

The Group uses a large number of loans from French commercial banks and film financing companies to finance the operations of its French subsidiaries. These financial liabilities were replaced in 2019 by a loan from an investor or converted into new shares in Wild Bunch AG by assumption of debt and subsequent non-cash capital increase. In addition, the Group uses the credit line agreement concluded in April 2017 with the London-based commercial bank Bank Leumi (UK) Plc with a term of 3 years for a revolving credit line in the amount of € 30 million, which is available to the German, Italian and Spanish companies of the Wild Bunch Group and Wild Bunch AG. The credit line defined by the value of the borrowing base amounted to € 26,770 thousand as of the balance sheet date and was utilized in the amount of € 25,003 thousand. In addition, there were liabilities of € 18,285 thousand from an 8% bearer bond (bond 2016/2019) as of December 31, 2018. These liabilities were converted into new shares of Wild Bunch AG in March 2019 by way of a capital increase against contribution in kind.

Sapinda Holding B.V. has granted Wild Bunch AG and Wild Bunch S.A. an interim credit facility to finance the ongoing costs. As of December 31, 2018, this totalled € 21,550 thousand (previous year: € 5,000 thousand), of which € 21,550 thousand (previous year: € 0 thousand) had been utilized.

All debt positions are continuously monitored by Wild Bunch AG.

As of 31 December 2018, the Wild Bunch Group had non-current and current financial liabilities totalling € 116.8 million (previous year: € 92.6 million), which were almost fully utilised. As of the balance sheet date, the Wild Bunch Group had unused credit lines of € 2.1 million at its disposal.

The equity of the Wild Bunch Group as of 31 December 2018 amounted to T€ 67,677 (previous year: T€ 81,175). This corresponds to an equity ratio of 24.9% (December 31, 2017: 28.7%).

Non-current liabilities decreased to € 28,812 thousand as of December 31, 2018 (previous year: € 53,019 thousand). Due to the maturity in March 2019, the liabilities from the 8 % bearer bond (bond 2016/2019) of € 18,285 thousand (previous year: € 17,964 thousand) are now reported under current liabilities. Further information on the maturity and backing of financial liabilities can be found in the notes to the consolidated financial statements. Deferred tax liabilities as of December 31, 2018 amounted to € 2,693 thousand (previous year: € 2,881 thousand).

Current liabilities as of December 31, 2018 amounted to € 175,189 thousand. (previous year: T€ 148,252). The increase in current liabilities is mainly due to an increase in financial liabilities of € 48,222 thousand to € 92,345 thousand (December 31, 2017: € 44,123 thousand). This includes the reclassification of the 8% bearer bond in the amount of € 18,285 thousand (see above). Trade payables and license transfer liabilities decreased by € 9,342 thousand to € 42,735 thousand (December 31, 2017: € 52,077 thousand). This also reflects the lower business volume in the reporting period.

There were no off-balance sheet financing instruments as of December 31, 2018 or the previous year's reporting date. The Wild Bunch Group uses operating leases primarily for offices, warehouses and office equipment to an extent that continues to have no material impact on the economic situation of the Group.

2.4.6. Liquidity development of the Wild Bunch Group

The Wild Bunch Group reported a cash inflow from operating activities of € 5,509 thousand in the reporting period (previous year: cash inflow of € 26,418 thousand). The decline is mainly attributable to the decline in business volume and the reduction in current operating liabilities.

Investing activities resulted in an outflow of funds of T€ 16,575 (previous year: T€ 39,450). Due to the limited financial scope of the Wild Bunch Group, significantly fewer investments were made in film rights. Payments for intangible assets, most of which relate to film rights, amounted to € 18,879 thousand in 2018 (previous year: € 44,510 thousand).

The cash flow from financing activities was again positive at T€ 21,381 (previous year: T€ 12,490). By making increased use of the interim financing granted by Sapinda Holding B.V. to Wild Bunch AG and Wild Bunch S.A., the operating business was financed. Overall, there was a positive cash flow of € 10,315 thousand in the reporting period (previous year: € -542 thousand).

Liquid funds are managed by Wild Bunch AG in close coordination with the operating companies in Germany, Italy and Spain as well as with Wild Bunch S.A., Paris. This in turn closely coordinates its activities with the French operating Group companies. The coordination is based on liquidity planning and monitoring the development of net debt. In addition, the liquidity status within the Group is regularly reviewed. Safeguarding the Group's liquidity is the top priority. As far as possible, the operating companies are to finance their operating business activities from current cash flow.

Net debt developed as follows:

Net indebtedness in € thousand	2018	2017	absolute	%
Liquid assets	18,583	6,593	11,990	181.9
- long term financial indebtedness	24,418	48,459	-24,041	-49.6
- short term financial indebtedness	92,345	44,123	48,221	109.3
Net financial indebtedness	**98,180**	**85,990**	**12,190**	**14.2**

Contrary to planning, net debt increased to € 98,180 thousand (previous year: € 85,990 thousand), in particular due to further borrowings and the delayed financial restructuring of the 8% corporate bond and the bank liabilities of French Group companies.

2.4.7. Investments of the Wild Bunch Group

In fiscal year 2018, additions to intangible assets, which primarily comprise film rights and advance payments made for film rights, amounted to € 18,879 thousand (previous year: € 36,297 thousand). Additions to property, plant and equipment were of minor significance by comparison.

2.5. Earnings, assets and financial position of Wild Bunch AG

The management report and group management report of Wild Bunch AG for the 2018 financial year are combined in accordance with § 315 (5) HGB in conjunction with § 298 (2) HGB.

Wild Bunch AG, as the parent company of the Wild Bunch Group, is responsible for management functions such as corporate strategy and risk management for the Wild Bunch Group, investment management tasks, central financing and group accounting. The proceeds from the settlement of old operating business from the period prior to the merger with the Wild Bunch Group in 2015 are now of secondary importance. In addition, Wild Bunch AG provides services for subsidiaries in Germany. As in the previous year, in the reporting period there was a fiscal unity for VAT and income tax purposes for a total of six German companies.

The general economic conditions of Wild Bunch AG essentially correspond to those of the Group described in Chapter 2.1. The Group-wide opportunity and risk management system also includes Wild Bunch AG. For further information, see the Risk and Opportunity Report in Chapter 4.

2.5.1. Earnings position of Wild Bunch AG

The annual result 2018 of Wild Bunch AG is below expectations and well below the previous year's level. The deviation compared to the budget is mainly due to higher legal and consulting costs in connection with the financial restructuring of the Company, as these costs could not be completed in the 2018 reporting year as originally planned, but mainly in the first quarter of 2019. See also the explanations in the supplementary report of the notes to the consolidated financial statements.

The result for the year amounted to T€ -6,265 (previous year: T€ -2,517). Compared to the previous year, it was influenced mainly by three factors. Other operating expenses increased by € 2,002 thousand to € 5,485 thousand (previous year: € 3,483 thousand) and income from profit transfers decreased by € 2,341 thousand to € 2,859 thousand (previous year: € 5,200 thousand). Furthermore, the result in the year under review was burdened by impairments on receivables from affiliated companies (impairments on current assets to the extent that these exceed the usual impairments in the corporation) in the amount of T€ 2,547 (previous year: T€ 2,924).

Revenues in 2018 amounted to T€ 664 (previous year: T€ 412), mainly consisting of cost recharges of T€ 642 (previous year: T€ 374). Revenues also include home video revenues of € 7 thousand (previous year: € 13 thousand) and revenues from the exploitation of other rights of € 15 thousand (previous year: € 22 thousand). These proceeds from the so-called old business were offset by material expenses of T€ 88 (previous year: T€ 14), of which T€ 66 are attributable to a project started in 2018 but not further pursued in the meantime.

The other operating income of the individual company amounted to € 118 thousand (previous year: € 322 thousand) and in the year under review included in particular income from the derecognition of provisions and liabilities.

Without members of the Management Board, Wild Bunch AG continued to employ an average of 7 people in the 2018 financial year. Personnel expenses in 2018 amounted to T€ 919 (previous year: T€ 922).

The Company's other operating expenses amounted to € 5,485 thousand in 2018 (previous year: € 3,483 thousand). They include substantial expenses in connection with the financial restructuring of the Company and the Wild Bunch Group. Other operating expenses also include, in particular, rental expenses, costs for the Supervisory Board, travel expenses and other administrative expenses.

Wild Bunch AG, as parent company, takes over the group financing and provides the group companies with liquidity. To this end, it takes out loans or refinances itself via the capital market. The receivables and liabilities between Group companies from financing activities bear interest. Other interest and similar income amounted to € 1,289 thousand in 2018 (previous year: € 651 thousand). On the other hand, interest and similar expenses amounted to T€ 3,033 (previous year: T€ 2,519).

2.5.2. Net assets and financial position of Wild Bunch AG

The balance sheet total of Wild Bunch AG as of 31 December 2018 of € 147,058 thousand was slightly higher than the figure at the previous year's reporting date (previous year: € 144,238 thousand). On the assets side, the slight increase is almost exclusively attributable to the increase in current assets.

As of 31 December 2018, fixed assets amounted to € 132,076 thousand (previous year: € 132,031 thousand), with the vast majority (€ 111,698 thousand) being attributable to shares in affiliated companies, as in the previous year. The loans granted to Wild Bunch S.A., Paris, France (loans to affiliated companies) remained unchanged at € 18,182 thousand as of December 31, 2018 (previous year: € 18,182 thousand). Shares in associated companies remained unchanged at T€ 2,108. Intangible assets amounted to T€ 2 (previous year: T€ 1), property, plant and equipment to T€ 86 (previous year: T€ 42).

Current assets amounted to € 14,873 thousand (previous year: € 11,976 thousand) as of the 2018 balance sheet date. The increase resulted primarily from increased receivables from affiliated companies of € 13,043 thousand (previous year: € 11,766 thousand) as well as from an increase in cash and cash equivalents to € 1,673 thousand (previous year: € 64 thousand).

On the liabilities side of the balance sheet, Wild Bunch AG's equity amounted to € 89,597 thousand as of December 31, 2018 (previous year: € 95,862 thousand), with an equity ratio of 60.9 % (previous year: 66.5 %). The decrease in equity is mainly attributable to the net loss for 2018.

At the end of the financial year, provisions amounted to € 1,566 thousand (previous year: € 823 thousand). The increase resulted primarily from higher provisions for outstanding invoices and litigation.

Liabilities increased to € 55,894 thousand (previous year: € 47,552 thousand) as of the 2018 balance sheet date, which is attributable to an increase in liabilities to affiliated companies of € 9,508 thousand (previous year: € 8,702 thousand) and an increase in other liabilities to € 5,458 thousand (previous year: € 38 thousand). This includes a loan from Sapinda Holding B.V., Schiphol, Netherlands, of € 5,258 thousand (previous year: € 0 thousand). In addition, the corporate bond is accounted for at € 18,298 thousand (previous year: € 18,032 thousand) and liabilities to banks at € 22,155 thousand (previous year: € 19,964 thousand).

There were no off-balance sheet financing instruments as of December 31, 2018 or the previous year's reporting date. Wild Bunch AG uses operative leasing for offices, warehouses and office equipment.

Contrary to planning, the financial position of Wild Bunch AG could not be significantly improved in the 2018 financial year compared with the previous year due to the delays in the financial restructuring. Net debt (cash on hand and bank balances less liabilities from the 2016/2019 corporate bond, liabilities to banks and the loan from Sapinda Holding B.V.) amounted to € -44,038 thousand and was thus above the previous year's reporting date value (previous year: € -37,932 thousand). The increase is mainly due to the loan from Sapinda Holding B.V. and the increase in the loan from Bank Leumi.

3. Forecast report

3.1. Trends in the market environment

According to its industry report "PwC Global Entertainment & Media Outlook 2018 - 2022", the auditing and consulting firm PwC expects a continuation of the growth trend in the global entertainment and media industry for the period 2017 to 2020 with average annual growth of 4.4 %. At the end of the cycle, the entertainment and media industry is expected to generate total sales of $2.4 trillion.

The global entertainment market is characterized by a new wave of convergence with fundamental changes at various levels towards a direct-to-consumer relationship between the respective market participants, which will lead to adjustment processes among the market participants and their business models.

The advancing digitization and increased broadband expansion have already made it clear in the past which system changes are possible. The home entertainment segment (DVD and Blu-rays) is gradually being replaced by the on-the-top video format (OTT video). In PwC's estimates, decline and growth show comparable absolute percentages. In 2022, the Home Entertainment segment will only generate worldwide revenues of $11.7 billion, while OTT Video will generate revenues of $58.4 billion.

The new 5G mobile communications technology will enable mobile data traffic with a variety of end devices to gain in speed, coverage and reliability, which will also significantly change the mobile distribution of content. But this influence will not be limited to the mobile sector.

Changing trends in the individual reception technologies can also be observed worldwide in the stationary reception of content. While cable is rather experiencing a decline, the reception of IPTV via satellite will continue to increase. Together with Pay-DTT, PwC's analysts estimate that IPTV will benefit the most, with annual growth rates averaging 6% through 2022. PwC estimates total revenues in classic TV at around 226 billion dollars in 2022.

The triumph of digital consumption continues and opens new ways for users to enjoy content. Consumers are enabled to make their viewing habits more flexible, true to the motto: what, when and where I want. In addition, he can and wants to personalize his program individually based on his preferences and get it tailored to him. OTT video offerings serve this demand excellently and put traditional TV as well as the cinema market under considerable pressure. PwC estimates global cinema revenues at $53.4 billion in 2022, below the OTT video market.

However, the key to success in the battle for consumers in this changing market environment is and remains high quality content. Only the latter is able to bind the consumer and thereby generate sales for the market participants.

Wild Bunch currently has a total library of over 2,500 film titles and co-finances or distributes up to 50 new independent films per year. With Wild Bunch TV, founded in 2015, the Group is also focusing on the co-production and distribution of TV series for the international TV market. Wild Bunch thus sees itself optimally positioned for this challenge, the search for high-quality content, in the coming years with its corporate structure along the value chain of the film industry and pursues the goal of profiting from the growth opportunities in this way.

3.2. Group focus for the 2019 financial year

Wild Bunch remains ambitious for the future. In the months and years to come, the company wants to resume its growth and assert itself as a leading pan-European group on the global market for filmed entertainment. The financial restructuring is expected to be completed in the first half of the 2019 fiscal year and will enable Wild Bunch to implement its strategic direction: increased presence in TV programs, increased focus in production, increased commercial presence through digital distribution, expansion of its presence as SVOD operator in Europe and optimization of its film library.

The company also pursues its efforts to improve its efficiency and to reduce costs. Wild Bunch also maintains its efforts to commercialize its sizable library, taking advantage of the appetite of new digital services.

3.3. Expected development

2019 will be marked by a big step in the finalization of the financial reorganization. The management team, up to now mainly dedicated to this financial reorganization, will from there on be able to fully focus on operations.

Exploiting its library at best, especially by developing further its connections with electronic distribution services, is also a priority.

The Wild Bunch Group will continue its rationalisation efforts in 2019, simplifying structures, harmonising its tools and reviewing its organisational structure.

Wild Bunch plans to release about 40 feature films in France, Germany, Italy and Spain in 2019. Some films are released through the Wild Bunch distribution network in several markets, such as FAHIM by Pierre-François Martin-Laval (BIM and Wild Bunch Distribution), LES FILLES DU SOLEIL by Eva Husson (BIM, Vértigo and Wild Bunch Germany) or UN HOMME PRESSE by Hervé Mimran (BIM and VÉRTIGO).

Planned theatrical releases by country:

France

The planned theatrical releases by Wild Bunch Distribution in France include: DRAGON BALL SUPER BROLY, an animated film by Tatsuya Nagamine from the cult saga of Akira Toriyama 35 years after its creation; FAHIM by Pierre-François Martin-Laval, inspired by Fahim Mohammad's bestseller "A King In Hiding"; LA PARANZA DEI BAMBINI by Claudio Giovannesi, after the bestseller by Roberto Saviano, who received the Silver Bear for Best Screenplay at the Berlinale 2019.

Germany

Among the planned theatrical releases of Wild Bunch Germany in Germany are: MY LOTTA LIFE by Neele Leana Vollmar, a funny story about Lotta's chaotic, crazy life based on the world's best-selling children's books; THE QUEENS CORGI by Ben Stassen and Vincent Kesteloot, an animated film about the adventure of Rex, the British monarch's most popular dog; the horror film CHILD'S PLAY by Lars Klevberg, the 8th edition of the German film "The Bunch of the Lottes"; and the film "The Bunch of the Lottes" by Lars Klevberg, the 8th edition of the German film "The Bunch of the Lottes". Film in the famous franchise, in which a mother gives her son a toy doll called Chucky, but both are not aware of his malevolence; Christian Schwochow's film DEUTSCHSTUNDE, a remake of Siegfried Lenz's novel about the story of Siggi Jepsen, who is trapped in an institution for young, difficult to educate people in post-war Germany.

Italy

BIM also plans to release numerous films in Italy, including George Nolfi's THE BANKER, based on the true story of two African American entrepreneurs who hired a working class white man in the 1950s to pretend to be the head of their business empire while posing as janitors and chauffeurs; BOOK CLUB by Bill Holderman, an American comedy in which the lives of four long-time girlfriends change forever after reading "50 Shades of Grey" in their monthly book Club, and WILD ROSE by Tom Harper about a Glasgow musician who dreams of becoming a star in Nashville.

Spain

The planned theatrical releases of Vértigo include THE SECRET by Andy Tennant, a film adaptation of the self-help book "The Secret", which focuses on the power of positive thinking; WHAT IS LIFE WORTH by Sara Colangelo, about a lawyer in Washington D.C. which fights against cynicism, bureaucracy and politics to help the victims of September 11; THE OLD MAN AND THE GUN by David Lowery, based on the true story of Forrest Tucker and his bold escape from San Quentin at the age of 70 to an unprecedented series of robberies that confuses the authorities and the public; and the horror film CHILD'S PLAY by Lars Klevberg.

e-Cinema releases in France

The company will continue its e-Cinema testing with the release of PURITY OF VENGEANCE by Christoffer Boe, a Danish film, the fourth and final film in the popular Department Q series based on the novels by Jussi Adler-Olsen.

International sales

In 2019, a large number of movies are to be internationally marketed, including major titles such as THE TRUTH ABOUT CATHERINE by Kore-Eda Hirokazu. For his first feature film outside Japan, Kore-Eda combines the French film legends Deneuve and Binoche in a powerful and emotional story marked by family conflicts; AHMED by Jean-Pierre & Luc Dardenne, a young fanatic who has just passed his childhood and plans to kill his teacher in the name of his religion; LONG DAY'S JOURNEY INTO NIGHT a Chinese film by Bi Gan, in the style of Wong Kar Wai, a courageous, beautiful and ambitious journey into the secrets of a troubled life. Also, THE ROOM by Christian Volkman, a genre film about a young New York couple in its 30s. They soon discover a secret hidden space that has the extraordinary power to realize everything they desire. But the room could very well turn her dream into a nightmare. Also the films LA PARANZA DEI BAMBINI by Claudio Giovannesi; JESSICA by Ninja Thyberg, about 20-year-old Jessica, who leaves small-town life in Sweden for Los Angeles with the goal of becoming the next big porn star in the world; CASANOVA, LAST LOVE by Benoît Jacquot, 45-year-old Casanova is in exile in London, where he meets a 25-year-old woman unimpressed by his overtures. Other titles include GIRL WITH NO MOUTH by Can Evrenol, the story of the growing up of Perihan, a girl born without a mouth on the run from the wasteland into which she was born; DUMPLIN' by Anne Fletcher, about a teenage daughter of a former beauty queen who enters her mother's Miss Teen Bluebonnet contest in protest and then escalates as other participants follow her; WAITING FOR THE BARBARIANS by Ciro Guerra, a magistrate who works in a distant outpost and begins to question his loyalty to his empire.

Distribution of TV series

Despite lower investments, WILD BUNCH TV will remain an active and attractive player in 2019. Overall, WILD BUNCH TV distributes several new international series, including HAYA, a 10 x 50' Israeli drama series in which a pregnant homeless woman has the opportunity to infiltrate a criminal ring and solve the case; IN SEARCH OF THE ORIENT, a 2x45' British series of a timeless journey between myth and reality of the mythical Orient-Express.

Electronic direct sales and Home Entertainment

Wild Bunch's digital distribution and home entertainment activities are in line with market trends, with a decline in physical video releases on the one hand and rapidly growing electronic distribution activities, particularly in SVOD, on the other, as well as a solid development of television sales thanks to the strong presence of free and pay TV in their respective markets. In addition, Wild Bunch has local film exploitation rights in its markets to a large number of currently successful titles (international and local) and an attractive film library, which makes it a preferred supplier of films for television stations and electronic video platforms.

Wild Bunch has adapted to new consumption patterns, defining its strategy and operating on a country by country basis.

In France, more and more home entertainment content is being produced under a new model: electronic exploitation (VOD/EST) followed by physical release, as it will be for such titles such as CLIMAX, HIGH LIFE and SOLIS.

While traditional TV sales activities remain strong, home entertainment revenues are declining overall.

In Germany, the VOD/SVOD market is one of the most important in Europe but but traditional broadcasters also remain important customers. Thus, both VOD/SVOD and TV segments are of equal importance to Wild Bunch Germany. Extensive deals have already been concluded in this segment for 2019.

In Italy, the good performance of some theatrical titles at the end of 2018 will have a positive impact on their VOD releases in 2019. The SVOD segment continues to grow thanks to the arrival of new services such as Huawei in 2018, Starz and Turner in 2019. The biggest segment for BIM remains TV sales, with a large number of titles that have already been sold for 2019 for free or pay TV exploitation.

In Spain, the main segment for Vértigo is also TV sales, with strong first pay TV windows and profitable free TV deals. All big platforms already launched their SVOD services, the more recent one being Sky and Amazon, but the market is not yet mature, and this segment remains to be developed.

FilmoTV

In 2019 will pursue its discussions with existing partners such as telecommunication operators in order to initiate new business models to drive additional revenues (bundles, integration in packages) which should lead to new business opportunities.

FilmoTV will also improve its interface intelligence, being more and more adapted to consumers, thanks to profiling and data mining.

3.4. Overall statement of the Management on the Group's development

Wild Bunch has set itself the goal of continuing to be a renowned player in the film and entertainment market, in particular by further strengthening its activities in the growth segments VOD/SVOD and Production.

Their Europe-wide presence, the measures to expand the portfolio and the exploitation of the ongoing digital revolution are important prerequisites for future success. In 2019, Wild Bunch will concentrate on further adapting its business model to the changed market conditions and taking advantage of the resulting benefits once the refinancing measures have been implemented. This should, for example, lead to sales growth in the future through the business of Wild Bunch TV or increased business activities in electronic direct sales.

A prerequisite for the full implementation of the refinancing measures is the outstanding conclusion of a loan agreement either with a bank or with the investor regarding the outstanding financial liabilities to Bank Leumi.

While the financial resources for the acquisition of films were limited in the course of 2018, the Group's portfolio of new content for 2019 is more extensive.

Furthermore, the Management Board anticipates a decline in overhead costs in the operating business for the 2019 financial year.

For the financial year 2019, the Wild Bunch Group therefore expects consolidated sales between € 80.0 million and € 90.0 million and a consolidated EBIT in a range of € -2.0 million to € -4.0 million before special effects in connection with the financial restructuring measures and thus an improvement compared to the financial year 2018. These special effects include the result of the capital increases through contributions in kind carried out in March and April 2019, as well as costs in connection with the refinancing of the outstanding financial liabilities to Bank Leumi planned for 2019 and the simplification and streamlining of the Group structure.

Once the refinancing measures have been implemented, the Management Board expects net debt to be significantly lower than in 2018.

The results of Wild Bunch AG as a holding company depend on the development of the results and dividend distributions of the operating associated companies. For the 2019 financial year, the Management Board anticipates a decline in income from profit transfers; dividend distributions to Wild Bunch AG are not expected, as in the previous year. Taking into account the costs incurred in 2019 in connection with the refinancing and reorganisation measures still to be carried out, the Management Board expects Wild Bunch AG to post a net loss for the year of approximately the same amount as in the previous year.

4. Opportunity and risk report

4.1. Risk management system

Wild Bunch is exposed to many risks and opportunities. These can have both positive and negative effects on the net assets, financial position and results of operations of the Group. The risk management system applies to all areas of the Group. Strategic and operational events and measures that have a significant influence on the existence and economic situation of the company are regarded as risks. This also includes external factors such as the competitive situation, regulatory developments and others that could jeopardize the achievement of corporate goals. The main opportunities and risks are listed under 4.3.1.

The objective of Wild Bunch's Executive Board remains the Group-wide standardization of risk and opportunity assessment through a standardized and Group-wide risk management system, the optimization process of which is still ongoing. Risks should only be taken to the extent that they do not have any foreseeable negative impact on the company's development. All employees should check their actions for the prevention of risks that could jeopardize their existence.

The risk management system of the Wild Bunch Group is essentially based on detailed risk recording and risk monitoring in the acquisition and exploitation of film rights. Comprehensive analyses of the usability and profitability of film rights across the entire exploitation chain, detailed estimates of revenue and direct costs at the individual stages of the exploitation chain and target/actual comparisons are used for risk monitoring. Liquidity management and ensuring compliance with financial targets are monitored at the level of the Executive Board, which reports regularly to the Supervisory Board. The Wild Bunch Group also monitors risks at the level of the individual subsidiaries through ongoing communication between local management and the Executive Board. The liquidity and cash flow forecasts are regularly prepared by the Group's individual cash pools and consolidated at Group level using tailor-made Excel-based tools. In 2019, the company plans to implement further improved tools at Group level and optimize the underlying process.

A complete unification of key components of the risk management system throughout the Wild Bunch Group to improve its efficiency is planned for 2019.

4.2. Internal control system

The accounting-related internal control and risk management system is intended to ensure that all events and transactions are fully recorded, correctly recognized and measured in the financial accounting system and are presented in the financial reporting of Wild Bunch AG and its subsidiaries in accordance with legal and contractual requirements and internal guidelines. Group-wide compliance with statutory and internal regulations is a prerequisite for this. However, it should be noted that, despite adequate and functioning systems, complete security in the identification and management of risks cannot be guaranteed.

The accounting processes within the Wild Bunch Group are centralised at the main locations in Paris and Berlin. In Paris, certain central functions are assumed for the subsidiaries of Wild Bunch S.A., Paris. In Berlin, central accounting for the German subsidiaries is carried out and the consolidated financial statements are consolidated.

Within the group, SAGE is used as an ERP system in Paris and SAP R/3 in Berlin. In addition, the Wild Bunch Group uses the Opera system to consolidate the individual Group companies. In addition, data from other IT systems are monitored for correct transmission and processing. The IT systems used for financial reporting are protected against unauthorised access. The Wild Bunch Group has authorization concepts that are regularly updated and monitored.

The accounting department regularly prepares individual financial statements for all local companies of the Wild Bunch Group at local level using local accounting standards and reports consolidated IFRS financial information to the Management Board every six months. For consolidation purposes, reporting packages are prepared in the local countries for the corresponding companies, which form the basis for the consolidated financial statements. The key elements of accounting (including film assets and provisions) form the basis for entries in spreadsheets.

Wild Bunch AG has a system that covers compliance issues, authorization concepts for orders and contracts, signing authorizations and internal accounting guidelines. The essential processes are documented.

In addition, the Supervisory Board also regularly deals with key accounting issues and the related internal control and risk management system.

4.3. Risk report

Principle intended methodology of risk determination

Risks are assessed on the basis of the probability of occurrence and the possible financial risk of loss. The arithmetic mean of the sum of the probability of occurrence and the risk of loss then yields a relevance of the overall risk.

The following classes of probabilities of occurrence were taken into account in the risk assessment:

class	**probability of occurrence**	
1	very low	0 % to 25 %%
2	low	25 % to 50 %
3	medium	50 % to 75 %
4	high	75 % to 100

Furthermore, the following damage classes were defined in the risk assessment:

class	**impact**	
1	€ 0,01 Mio. to € 0,5 Mio.	Relevant
2	over € 0,5 Mio.	Significant

Risks that can be assigned to loss class 2 and have a probability of occurrence of class 3 or 4 are classified as material risks and presented individually. Following further improvements in risk documentation, the process of identifying and classifying risks has not yet been completed. This is planned for the remainder of 2019.

4.3.1. Market, operational and business risks

The Wild Bunch Group faces intense competition with regard to the distribution of its products.

The planning of the Wild Bunch Group assumes certain market shares as well as visitor numbers and revenues from the various evaluation stages. If these assumptions do not materialize, the planned revenues will not be achieved. If the cost structures cannot be adjusted in time, this also entails a considerable risk. For example, market changes in the cinema and home entertainment sectors, such as falling viewer numbers or increasing competition, can lead to a decline in prices for productions or licensed products. The expiry of framework agreements or a deterioration in the financial situation of licensees can lead to falling sales prices for licenses and thus endanger the value of existing film rights. A strong competitive environment could lead to declining margins, especially in theatrical distribution.

The diversification of the Wild Bunch Group into various products and markets reduces the competitive risk in the individual segments. Since market share and viewer numbers are key factors for revenue potential, the Wild Bunch Group strives to find attractive programme content for TV channels and other platforms as well as for its films and TV series in order to increase its competitiveness, sharpen its profile and enhance the attractiveness of its products through higher marketing expenditures.

However, should these risks associated with the competitive environment materialize in whole or in part, the Wild Bunch Group could have a material adverse effect on its net assets, financial position and results of operations.

Any deterioration in economic conditions in the markets in which the Wild Bunch Group operates may have an adverse effect on its business and results.

The sales growth and profit margins that Wild Bunch can achieve depend in part on the global and regional economic conditions in the markets in which the Wild Bunch Group operates and their impact on consumer spending. Private consumption is likely to decline in times of economic uncertainty and recession. As a result, the entertainment and media industry may be more affected by such developments than other industries.

Unfavourable economic developments and economic uncertainties may be due to various factors, such as terrorist attacks in Europe and around the world and other political tensions.

In addition, our sales may also be affected by other factors that affect consumer spending, such as weather conditions or sporting highlights. Sunny and warm weather usually leads to fewer moviegoers as consumers spend their time outdoors. A sporting highlight such as the 2018 Football World Cup resulted in around one month fewer cinema visits. The seasonality also makes it difficult for us to accurately predict the demand for our film rights. If the Wild Bunch Group does not correctly anticipate demand in our greenlighting process, sales losses and declining profit margins can burden the individual project.

A decline in private consumer spending and purchasing power could lead to fewer admissions.

Any deterioration in the economic environment could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

The business models of the Wild Bunch Group depend on the ability to meet customer tastes, to understand user behaviour and to react promptly to changes.

The technical possibility of making illegal copies of films and the lack of adequate protection against copyright infringement carries the risk of loss of revenue. In addition, the market changes in the Home Entertainment segment are particularly characterized by digitization, whereby an increase in additional offers and distribution forms can lead to a sustained change in media usage. The companies of the Wild Bunch Group try to anticipate future trends through targeted market research and user analyses. The development of consumer-friendly programmes and substances increases the attractiveness of the products. The effects of piracy are reduced through lobbying, awareness campaigns and consistent legal action against infringements in order to mitigate the loss of sales. Should any of the valuations of the Wild Bunch Group prove to be incomplete or incorrect, this could have a material adverse effect on the net assets, financial position and results of operations of the Wild Bunch Group.

The Wild Bunch Group is dependent on customers and business partners.

In direct sales, the Wild Bunch Group relies on the major German, French, Italian and Spanish TV channels, IPTV providers, VOD/SVOD platforms and DVD dealers. A significant part of the invested minimum guarantee is covered by sublicense distribution rights for films and TV series. The achievable margins may be lower than planned due to the strong position or decline in demand of these broadcasters or platforms. In this case, the Wild Bunch Group may have adverse effects on its net assets, financial position and results of operations.

The global economic situation of a country or region can have a short-term negative impact on the financial position of film distributors who acquire films (devaluation of the national currency, insolvency risks, etc.). In addition, the Wild Bunch Group relies on good business relationships with internationally active film distributors. This applies in particular to the unrestricted observance and implementation of the signed contracts, i.e. the acceptance of the delivered material on delivery, the payment of the agreed instalments as well as reasonable marketing expenses and activities for the publication of a film.

The premature termination of individual contracts can lead to higher costs due to the search for new partners and the establishment of new structures. Maintaining relationships with customers and business partners is therefore one of the central tasks of management. Compliance with the contractual provisions and the quality of the delivered goods and services are checked at regular intervals.

However, it cannot be ruled out that actions by customers or business partners could lead to increased costs for the Wild Bunch Group, which in turn would have a material adverse effect on its net assets, financial position and results of operations.

The Wild Bunch Group companies could lose access to licenses and materials.

Access to and acquisition of rights to literary originals, exploitation rights and screenplays as well as the conclusion of contracts with successful directors, actors and licensors are decisive factors for the co-production and acquisition of films and television series as well as for the economic success of the Wild Bunch Group. The production units of the Wild Bunch Group work closely with renowned, experienced screenwriters, directors and producers at home and abroad who are experts in the production of feature films and enjoy an excellent reputation with public film funding institutions. However, it cannot be guaranteed that this access will continue in the future.

In addition, third-party productions are generally acquired on the respective film market. The prices paid depend on the respective project and the specific market environment. As a rule, film projects are not yet completed with the purchase. Therefore, the rights are sold in advance on the basis of the script or a sketch. Up to two years may elapse between the acquisition and the actual delivery of the film. If the Wild Bunch Group companies have paid too much for a film, this can have a significant negative impact on the Wild Bunch Group's business, financial position and results of operations, especially if the purchased film project proves to be a flop.

Although the Wild Bunch Group companies have put in place procedures to monitor these risks (e.g. a benchmark-based purchase approval process or monitoring by employees in the respective rights and license purchasing departments, with years of sound expertise in the resale of film rights prior to completion of the project to counter the risk accordingly), it cannot be ruled out that such a risk may materialise in whole or in part.

Dependence on film funding.

Unfavourable changes in the funding guidelines for film projects or the (partial) non-granting of planned funding can result in the Wild Bunch Group having financing gaps for its own productions and co-productions, which then have to be covered by other free funds or a change in the medium-term production planning which has a negative impact on the earnings contributions of the individual films.

There is also the risk that certain conditions for disbursement or realisation may not be met. Violation of these rules may result in the Wild Bunch Group being forced to repay the relevant subsidies.

Any disruption to the IT systems on which the Wild Bunch Group relies can adversely affect its performance, operations and reputation.

Wild Bunch relies on information technology systems and networks to support international distribution, film production, services and business processes as well as internal and external communication. The continued and secure operation of its IT systems, including computer hardware, software, platforms and networks, is critical to the successful conduct of the Wild Bunch Group's business and reputation.

Despite IT maintenance and security measures, the Wild Bunch Group's internal IT systems and networks are at risk of malfunctioning and disruption from a variety of sources, including unauthorized access, cyber attacks, equipment damage, poor database design, power outages, computer viruses, and a variety of other hardware, software, and network problems. Wild Bunch's IT staff may not be able to solve such problems on time or at all. Some potential causes that may lead to malfunction or disruption of Wild Bunch's IT systems or networks are difficult to identify and cannot be identified until the risk has occurred. A significant or extensive malfunction or interruption, whether malicious or not, of one or more of the Wild Bunch Group's IT systems or networks could impair the Wild Bunch Group's ability to operate efficiently. In addition, a prolonged failure of a telecommunications network used by Wild Bunch Group's IT systems or networks, or a similar event beyond Wild Bunch's control, could result in a prolonged unforeseen interruption of Wild Bunch's IT systems or networks, which could adversely affect the business. In addition, data leaks resulting from breaches of information technology security may result in the disclosure or misuse of proprietary or confidential information, including customer and employee data, which may result in fines, claims for damages and reputational damage for the Wild Bunch Group.

The occurrence of any of the risks described above could have a material adverse effect on the net assets, financial position and results of operations of the Wild Bunch Group.

The Wild Bunch Group relies on retaining and hiring qualified personnel.

The success of the Wild Bunch Group depends to a large extent on its qualified executives and specialists, including business unit managers and employees with extensive know-how in content production or a profound network in the film and media industry. With increasing competition for executives and specialists in the media market, the risk grows that qualified executives and specialists can no longer be hired in sufficient numbers and within a reasonable time frame by the Wild Bunch Group or - if they are employed - can be hired for another job. The inability of the Wild Bunch Group to hire and retain a sufficient number of professionals and executives to support its operations could have a material adverse effect on its business, financial condition and results of operations.

Risks arising from changes in the legal framework and changes in tax law.

Wild Bunch AG is of the opinion that all tax returns of the Group and the individual Group companies were correct and complete. In Germany, a tax audit of Wild Bunch AG was carried out for all periods up to 31 December 2008. Actual taxes assessed in future tax audits for periods not yet covered by the last tax audit may exceed the taxes we have already paid. As a result, Wild Bunch AG may be required to pay significant back taxes for prior periods. In addition, the competent tax authorities could change their original tax. Tax assessments that deviate from our expectations may lead to an increase in the tax burden. In addition, Wild Bunch AG may be obliged to pay interest on these additional taxes as well as interest on arrears. In the event of deviating tax assessments, the earnings situation may have a negative effect.

As the controlling company, Wild Bunch AG has extensive corporation tax and trade tax loss carry forwards. Once the financial restructuring measures have been implemented, Voltaire Finance B.V.'s stake in Wild Bunch AG will increase to around 96.2 %. There is a risk that the loss carry forwards can only be used to a limited extent or not at all in the future.

Changes in the tax environment and future tax audits could have a material adverse effect on business operations, financial position, cash flows, results of operations and expectations.

4.3.2. Financial risks

The activities of the Wild Bunch Group are exposed to a variety of financial risks, such as market risks (including currency and interest rate risks), credit risks and liquidity risks. Market risks arise from open positions in foreign currencies (currency risk) and interest-bearing assets and liabilities (interest rate risk) that react to general and specific market movements.

- exchange rate movements

The Wild Bunch Group is dependent on exchange rate fluctuations between the euro, the reporting currency, and other currencies, in particular the US dollar, as the majority of the film rights acquired on the international film market are paid for in US dollars. Revenues from film exploitation, on the other hand, are mainly generated in euros. Fluctuations in the EUR/USD exchange rate can therefore have an impact on earnings and lead to currency gains or losses. No financial instruments are currently used to hedge exchange rate fluctuations.

- interest rate changes

The Wild Bunch Group is affected by changes in interest rates, especially for financial liabilities. In some cases, rising interest rates would force the Group to pay higher interest rates.

- credit risks

In addition, a credit risk arises if a debtor is unable to pay its receivables or is unable to do so on time. Credit risks comprise both the direct default risk and the risk of a deterioration in creditworthiness. The potential risk of default on receivables is continuously taken into account by means of regular monitoring and, if necessary, value adjustments.

However, there is no guarantee that the credit risk will remain within internal limits and that Wild Bunch will not incur any losses.

- liquidity risk

The Wild Bunch Group requires cash and cash equivalents to cover its financial liabilities. These liquid funds are generated partly by operating activities and partly by financing. Wild Bunch is therefore in ongoing discussions with financial institutions and investors at home and abroad to secure access to funds that are in line with the planned investments.

Liquidity risks arise when the Wild Bunch Group is unable to meet its payment obligations or is unable to do so in a timely manner, either through available liquid funds or through the use of the corresponding credit lines.

The greatest liquidity risk of the Wild Bunch Group results from the loss of access to liquid funds. This may be the case in particular if guarantee or framework loan agreements are terminated or not renewed by banks or investors. The possibility of termination during the term of a credit line exists in particular if the borrower defaults on payments under the agreement and is unable to remedy the situation within an agreed period, or if a review of certain financial covenants reveals a material deterioration in the economic condition of the company leading to a deviation from the contractually agreed financial position.

Terminating such contracts would then force Wild Bunch (taking into account the availability of working capital loans) to borrow more on the capital market or from banks to finance new projects or refinance existing liabilities in the short and medium term.

With the completion of a series of refinancing measures in April 2019, the Management Board laid the foundation for the long-term continuation of the company. By implementing all key points of the restructuring agreement between Wild Bunch AG, its French subsidiary Wild Bunch SA, the French banks and the investor involved (Voltaire Finance B.V. (formerly SWB Finance B.V.), hereinafter referred to as "Investor"), the Company succeeded in transferring existing bank liabilities and further liabilities amounting to € 36.6 million to Wild Bunch AG by way of a capital increase against contribution in kind excluding shareholders' subscription rights ("Debt Equity Swap II"). The financial liabilities of the Wild Bunch Group were reduced by the same amount when the debt-equity swap II was entered in the commercial register on 12 April 2019. The transfer of the 18,298,680 shares newly created as part of the debt-equity swap II for the contribution of the aforementioned € 36.6 million liabilities to the investor took place on 20 April 2019.

A further € 26.1 million will initially remain as a shareholder loan at Wild Bunch SA level and will be replaced by bank loans in 2019 after the loan agreement between Wild Bunch SA and the investor has been concluded.

In addition, the creditors of the 8% corporate bond issued in 2016 with a total nominal value of € 18.0 million already took part in September 2018 in a vote without a meeting in which voting bonds with a nominal value of EUR 14,700,000.00 took part, representing 81.67% of the total of 180 outstanding bonds with a nominal value of EUR 100,000.00 each, the conversion of all bonds held by them into new shares of Wild Bunch AG by way of a further capital increase against contribution in kind excluding shareholders' subscription rights ("Debt Equity Swap I"). As part of the Debt Equity Swap I, the bondholders acquired purchase rights to a total of 3,600,000 new shares in Wild Bunch AG upon entry of the capital increase in the commercial register on 14 March 2019 and subsequently exercised these rights. The execution of the Debt Equity Swap I reduced the financial liabilities of Wild Bunch AG by a further € 18.0 million.

Overall, the financial liabilities of the Wild Bunch Group are reduced by € 54.6 million due to the two debt-equity swaps described above.

As a further restructuring contribution, Sapinda Holding B.V. granted the Wild Bunch Group interim financing during the implementation of the restructuring measures, from which Wild Bunch S.A. and Wild Bunch AG have currently drawn funds amounting to € 27 million (31 December 2018: € 21.6 million). This interim financing will be fully refinanced by a shareholder loan of € 40 million. The signing of this loan agreement and the disbursement of the € 13 million not required to refinance the interim financing are scheduled for May 2019.

The implementation of the aforementioned capital and financing measures by the investor was subject to the condition that the company's previous balance sheet debt was cleared. To this end, the company's Annual General Meeting on 26 September 2018 resolved to reduce the share capital by means of the simplified cancellation of 15 shares and to reduce the share capital of Wild Bunch AG from € 81,763,000 to € 2,044,075 in a ratio of 40:1. The capital reduction was entered in the commercial register on 26 November 2018. Furthermore, the Annual General Meeting resolved on the subsequent increase of the share capital against contributions in kind (contribution of the € 18.0 million 8% bearer bonds 2016/2019 issued by Wild Bunch AG - debt-equity swap I) excluding shareholders' subscription rights and the increase of the share capital against contributions in kind (contribution of receivables from French bank loans and investment contracts - debt-equity swap II) excluding shareholders' subscription rights. No actions for rescission have been filed against these resolutions.

The credit line of up to € 30 million agreed with Bank Leumi (UK) plc ("Bank Leumi") matures on April 5, 2020, and the amount of the funds which can be drawn down by the Group depends on the actual assets of the borrowers on a monthly basis and is currently € 25.2 million (31 December 2018: € 26.8 million). However, the financial covenants agreed in the loan agreement will continue to apply in this prepayment phase as well, albeit in a more favourable form for the company, taking into account the restructuring, due to an adjustment regulation from September 2018. These mainly relate to the following performance indicators: EBITDA ratio, i.e. consolidated EBITDA in relation to sales revenues; liquidity ratio, i.e. the volume of available financing sources compared to expected financing requirements; leverage ratio, i.e. the ratio of net debt to consolidated EBITDA; and a balance sheet equity guarantee. In the course of the restructuring measures mentioned above, several agreements were concluded with Bank Leumi to waive the repayment of the loan as part of the implementation of these restructuring measures ("waiver"). In addition to the covenants mentioned above, the Company is obliged to provide Bank Leumi with regular reports on certain key economic data, including cash account balances of borrowers and restructuring progress, as part of the waivers. In the event of early repayment of the loan, the Group's ability to continue as a going concern depends on the ability to obtain the necessary financial resources elsewhere in the short term.

Furthermore, the continuation of the Group presupposes that the refinancing of the Bank Leumi credit line is successful until the end of the term. The Management Board is in advanced discussions on this matter.

An additional financing requirement beyond the refinancing measures described above could arise if there are negative deviations from the business plan prepared by the Management Board for the planning period 2019 to 2023. In the opinion of the Management Board, a significant negative deviation would adversely affect the planned business development and could have a negative impact on the refinancing possibilities of the Bank Leumi credit line.

Parallel to the optimisation of the financial position through the above steps, the Management Board is also planning operational measures to improve the earnings situation.

The Management Board currently sees no signs of the risks mentioned being realized. However, if the financing and refinancing measures described and initiated cannot be successfully completed, or if there is an early repayment obligation for the existing loans, or if the course of business falls well short of planned expectations, this would impair the further development of the Company or the Group and could jeopardize its continued existence to the extent that the financial gaps cannot be closed by other capital measures.

4.3.3. Legal risks

Regulatory risks.

As a pan-European company, the activities of the Wild Bunch Group are subject to regulations and legal frameworks both in the countries in which the Group companies are based and at European level. Unforeseen changes in the regulatory and legal framework can have an impact on the individual business processes of companies. The operating business activities of Wild Bunch are subject in particular to regulatory risks if they relate to the production and distribution of films and media content. The Wild Bunch Group is represented by its managers and employees in interest groups and trade associations to ensure that their interests are represented as comprehensively as possible.

Changes in the legal environment due to new laws or regulations, or changes in such laws or regulations, or changes in their application by authorities or jurisdictions, may adversely affect the operations of the Wild Bunch Group. This concerns in particular changes in intellectual property rights and media regulations, as well as laws on financing conditions in such industries. Changes in the legal framework may result in increased expenses for the Wild Bunch Group or limit its ability to facilitate its projects.

In Germany, for example, an amendment to copyright contract law came into force in March 2017, which means that authors have a higher share in the economic success of film productions if the film is above average. In order to justify possible claims, the authors have a right of the film distributor to information about the revenues generated from the film, which can lead to higher administrative costs. On the other hand, rights holders such as Wild Bunch are massively strengthened in their legal position by the EU copyright amendment adopted in April 2019, especially with regard to automated protection against illegal access to protected content ("upload filters").

This has shown that the protection of the local cultural heritage, which includes films and local companies active in the entertainment industry, is an important and continuing focus of national and European legislation.

Overall, regulatory and legal risks for the Wild Bunch Group are considered to be low and manageable if they actually occur.

Risk due to breaches of data protection regulations.

Wild Bunch Group companies collect, store and use data in the normal course of business that is protected by data protection laws such as the Federal Data Protection Act and similar regulations in other relevant EU Member States. With effect from May 2018, the activities and services of the Wild Bunch Group must comply with the new European Data Protection Basic Regulation (EU 2016/679) ("DSGVO"), which harmonises data protection rules across the European Union, implements a stricter approach to data protection and significantly increases fines for breaches of data protection law. Data protection authorities have the right to audit the Issuer and impose orders and fines if they determine that the Issuer has failed to comply with applicable laws and reasonably protected client information. Restrictions resulting from a stricter interpretation of existing requirements or from future changes in data protection laws could have a material impact on the Wild Bunch Group's operations and its ability to market products and services to existing or potential customers. It is not possible to prevent cases of data loss or misuse as a result of human error, technological failure or other factors beyond the control of the Wild Bunch Group. We may also be exposed to the loss of consumer data due to cyber attacks on our data systems or criminal activity by Wild Bunch Group employees or service providers.

The use of data, in particular customer data, by Wild Bunch is subject to the provisions of the Federal Data Protection Act and similar regulations. Any unauthorized access by third parties to data processed by any Wild Bunch Group company may result in claims for damages and damage to the reputation of Wild Bunch and could have a material adverse effect on the business, financial condition and results of operations of Wild Bunch.

Risk due to infringement of intellectual property.

The Wild Bunch Group uses technologies that make use of the intellectual property of third parties. Therefore, it may be subject to alleged claims of infringement of intellectual property rights of third parties and may not be able to adequately protect its own intellectual property rights. The increasing dependence of the film production industry on technology or content protected by intellectual property rights increases the possibility that Wild Bunch Group companies may be subject to litigation or other proceedings to defend themselves against alleged violations or disputes relating to the intellectual property rights of others. In particular, under German copyright law film authors are entitled both to an equitable remuneration and to an additional remuneration if the proceeds from the exploitation of a film are regarded as extraordinarily high in relation to the original remuneration. The respective company of the Wild Bunch Group could be confronted with claims for further payments from the respective film authors.

In addition, the personal rights of third parties may exist within the scope of the business activities of the Wild Bunch Group. In the event of violation of these rights, third parties may assert injunctive relief and/or claims for damages. For example, when filming real events, the persons concerned can try to prevent the publication of the film in court with the argument of violation of personal rights. This can significantly delay or even prevent the release of a film.

In addition, the Wild Bunch Group companies may be forced to purchase additional and costly licenses in the future or to pay additional royalties for technologies or content used. The contractual obligations entered into to protect the Wild Bunch Group include compensation claims against subcontractors. However, they may have ceased business operations or otherwise fail to comply with their compensation obligations. In addition, intellectual property owners who claim infringement may seek substantial damages and may require a Wild Bunch Group company to cease using proprietary technology or content, which in turn may result in us having to shut down film production or postpone film releases.

The Wild Bunch Group owns a number of licenses, copyrights and contractually protected works of intellectual property and know-how that the Wild Bunch Group companies use to provide their products and services. In the event that the measures taken and the protection provided by law do not adequately protect intellectual property and know-how, the Wild Bunch Group could suffer losses in sales and profits caused by more competitive products and services offered illegally on the basis of the Wild Bunch Group's intellectual property or know-how. Litigation or other proceedings may be necessary for the Wild Bunch Group to enforce and protect intellectual property rights. Such litigation or procedure to protect intellectual property can be costly. An unfavorable court decision in any litigation or proceeding could result in the loss of our intellectual property, which could result in substantial liabilities or adversely affect the operations of the Wild Bunch Group.

Each of these risks could have a material adverse effect on the business, financial condition and results of operations of the Wild Bunch Group.

The implementation of the operational restructuring concept could fail.

The Wild Bunch Group has already initiated various operational restructuring measures. In particular, the purchasing process ("greenlighting") of film rights is to be optimized in the future in order to avoid the procurement of unprofitable film contents/projects. In addition, corporate structures are to be optimized and employees trained in order to promote employee competence. It is also intended to reduce the planned increases in personnel costs. Finally, a fiscal unity between Wild Bunch AG and Wild Bunch Germany GmbH is being examined in order to enable a reduction in tax payments in the Wild Bunch Group.

However, there is a possibility that the key assumptions underlying the operational restructuring concept may prove to be incorrect or that the planned measures may prove to be inadequate. In addition, there is the risk that key measures of the operational restructuring concept will not be sufficiently implemented and cannot be replaced by measures with a similar effect. If significant parts of the operational restructuring concept are not successful for the reasons outlined above, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks from legal proceedings.

As a cross-border company, the Wild Bunch Group is exposed to a number of legal risks, in particular litigation risks. With respect to individual areas of law, these risks primarily relate to copyright law, corporate law, securities trading and stock corporation law, and labor law. The outcome of current, pending or future proceedings can often not be determined with certainty, which can lead to expenses arising from court or government decisions or settlement agreements that are not (fully) covered by insurance and can have material adverse effects. Legal disputes therefore include not only pending legal proceedings, but also legal disputes between the parties or with supervisory authorities. By means of active communication and lawyer-led negotiations, the company tries to reduce the risk by seeking out-of-court solutions to legal disputes. Two proceedings are currently pending; the Management Board considers the risk arising from these proceedings to be significant. Based on legal estimates, provisions of € 0.9 million were formed which cover the risks. However, it cannot be ruled out that significant additional burdens on earnings will arise.

4.4. Opportunities report

4.4.1. Opportunity management

As with risk management, the Wild Bunch Group pursues the goal of implementing its strategic and operational goals quickly and efficiently through concrete activities. Opportunities can arise in all areas. Their identification and targeted use is a management task that flows into everyday decisions. Comprehensive market research is an essential part of a structured approach.

4.4.2. Information on individual opportunities

The Management defines an opportunity as a possible future development or a future event that may lead to a positive forecast or target deviation. This means that events that have already been included in budget or resource planning do not represent an opportunity according to this definition and are not dealt with in this report.

The Wild Bunch Group sees opportunities in the evaluation and development of already secured licenses, formats and substances as well as the integration into a distinctive international network.

The Wild Bunch Group, which has become a renowned pan-European film company, owns within this specific group structure, many rights of use and/or distribution rights (above all film rights and material), some of which extend well beyond the planning period. These form the basis for generating revenue well beyond the planning period. Both the image of the group and the maintenance of a strong network will promote access to these rights in the future.

The exploitation of these rights can increase the attractiveness and thus the reach of the marketing platforms more than expected, which would lead to future revenues that are higher than planned.

The Wild Bunch Group sees opportunities to strengthen its market position by entering into negotiations with rights owners, producers, actors and customers.

As a result of the successful merger of Wild Bunch and Senator and the resulting significantly stronger market position, synergies can be achieved that are higher than expected. This applies in particular to purchasing, costs and financing. For example, the significant increase in company size and the international nature of the business may make it possible to acquire rights and contracts with right holders on terms that are far more advantageous than originally expected due to the stronger bargaining position. As a result, more open and efficient access to talent can also lead to business opportunities that are not yet reflected in current planning.

The Wild Bunch Group sees opportunities in increasing digitalization and the associated changes in media usage behavior.

Media consumption is changing due to increasing digitalisation. The electronic distribution of video content has overtaken the purchase and rental of physical videos (DVD and Blu-ray) in absolute terms. The Wild Bunch Group is constantly developing its business model and continues to work on the introduction of new direct sales channels. Due to the increasing digitalization pressure, e-Cinema was established as a new distribution channel for "event films" and FilmoTV as a new distribution channel for the Group's French VOD/SVOD service and has now been further expanded. In addition, the Group has actively developed new ways of licensing and marketing its rights, which through agreements with digital distribution partners offer new digital marketing opportunities, including productions for international and national providers such as Netflix. Wild Bunch's pan-European positioning with films and TV series as well as its strong and well-known brand gives it a strong position in the media industry.

The Wild Bunch Group sees opportunities thanks to the renewed strong attraction of television services for viewers, users and advertisers.

From the customer's point of view, television remains a stronghold of media in the field of film entertainment. Today, the high attractiveness of television is characterised not only by the fact that advertisers can achieve a greater reach within a short period of time and increase their profile, but also by the fact that television has reinvented itself and has succeeded in evolving from linear to non-linear programming. It attracts and serves a younger, more flexible and independent audience that is constantly looking for new content. Online television with its countless possibilities for individualized advertising combines the channel capacities of intensified advertising with the audience's need for a broader range of quality products. The higher advertising revenues should further increase the network's acquisition activities in order to meet the audience's demand for new products. The Management Board is of the opinion that the establishment of Wild Bunch TV could result in significant opportunities. The in-house co-production and marketing unit for international television series focuses on the requirements of the growing market for television services. Following the successful production and sale of two internationally attractive TV series, the management also sees opportunities to sell further TV series developed by the unit on schedule.

The Wild Bunch Group sees opportunities in the further internationalisation of its business.

The Wild Bunch Group is currently represented in most major European film markets (Germany/Austria, France, Italy and Spain). In addition to further penetration of these core markets, expansion into new markets offers opportunities that may be larger than the company iscurrently planning. Other significant opportunities could arise from rapidly developing regions such as China, India and South America. Depending on how these possible market entries take place, these measures could lead to higher sales than planned. With the establishment of the China Europe Film Fund (CEFF) in 2016 and consequently the creation of unique conditions for the development and financing of Chinese-European joint productions, attractive conditions were created in the Chinese core market which could lead to additional growth opportunities.

The Wild Bunch Group sees opportunities in further cooperations and mergers.

Significant synergies and an intensified or accelerated internationalization of business activities could result from acquisitions and mergers which, for example, are not yet included in current planning. In addition, the scope and use of the existing film library could be strengthened by new distribution channels as a result of M&A transactions. The experience and reputation of the Group's management enable the company to play an active role in bringing together film distributors and producers.

4.5. Overall assessment of risks and opportunities

On the basis of the available information and assessments, in particular the probability of occurrence, the maximum amount of damage and the effect of the countermeasures taken, the Management Board of Wild Bunch AG is convinced that, apart from the risks described in Section 4.3.2 Financial Risks, there are currently no known risks that could jeopardize the continued existence of the Group. This applies to individual risks as well as to risks in their entirety, provided that the impact of the entirety can be meaningfully simulated or otherwise estimated.

If, however, the expected earnings contributions from acquired and still to be acquired filmexploitation rights do not develop as planned and the operating business of the subsidiaries falls well short of expectations, the continuation of the company's business to date will depend to a large extent on the ability to raise further funds despite the financing agreements concluded and despite the additional funds made available by investors in the event of successful restructuring.

The Management Board is convinced that the measures taken keep the risk to an economically justifiable extent and considers the risk-bearing capacity of the Group to be sufficient.

The Management Board sees the greatest opportunities in the further integration of the Group, the resulting synergies, a reduction in ongoing costs, growth potential and the consolidation of earnings.

In addition, perspectives arise from cooperation with scriptwriters, directors and producers in Germany and abroad as well as access to attractive material and licenses, increased cooperation with talents and an expansion of the business model through internationalization of production and marketing activities as well as possible further strategic acquisitions.

5. Disclosures required by takeover law pursuant to Section 315a (1) of the German Commercial Code (HGB)

Pursuant to Section 315a (1) of the German Commercial Code (HGB), stock corporations that make use of an organized market within the meaning of Section 2 (7) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz - WpÜG) by issuing voting shares are required to make the following disclosures in the management report:

Composition of subscribed capital:

The share capital of Wild Bunch AG amounts to € 2,044,075 and is divided into 2,044,075 bearer shares. There are no different classes of shares. For information on conditional and authorised capital, please refer to the notes to the annual financial statements of Wild Bunch AG for the year ended 31 December 2018.

Restrictions affecting voting rights or the transfer of shares:

The Management Board is not aware of any restrictions relating to voting rights or the transfer of shares.

Direct or indirect interests in the capital that exceed ten percent of the voting rights:

The holdings in Wild Bunch AG which exceed 10 % of the voting rights are shown in the notes to the annual financial statements of Wild Bunch AG as at 31 December 2018, which can be downloaded from the website www.wildbunch.eu/investors/publications/ The latest notifications of voting rights pursuant to the German Securities Trading Act are published at www.wildbunch.eu/investors/the-share/ .

The holders of shares with special rights conferring powers of control:

There are no shares with special rights conferring powers of control.

The type of control of voting rights if employees hold an interest in the capital and do not exercise their control rights directly:

The Management Board is not aware that employees hold an interest in the capital and do not directly exercise their control rights.

The statutory provisions and provisions of the Articles of Association concerning the appointment and dismissal of members of the Management Board and amendments to the Articles of Association:

The appointment and dismissal of members of the Management Board is based on Sections 84 and 85 of the German Stock Corporation Act (AktG). Amendments to the Articles of Association are made in accordance with Sections 179 and 133 of the German Stock Corporation Act (AktG), whereby the Supervisory Board is also authorized to resolve amendments to the Articles of Association that only affect the wording.

The powers of the Management Board, in particular with regard to the possibility of issuing or buying back shares:

The Management Board of Wild Bunch AG was authorised by various resolutions of the Annual General Meeting to acquire own shares in a volume of up to 10% of the share capital existing at the time the resolution was adopted, most recently for a period up to 29 June 2020 by resolution of the Annual General Meeting 2015. The last acquisition of own shares took place at various times in the financial year 2000. On the balance sheet date, Wild Bunch AG reported 60 no-par value shares as own shares, which accounted for a nominal value of € 60 or approx. 0.003% of the share capital on 31 December 2018. By resolution of the 2018 Annual General Meeting, the previously existing Authorised Capital 2015/I was cancelled insofar as it had not been used by the Company, and a new Authorised Capital was resolved, whereby the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital by up to a total of EUR 11,971,377.00 until 25 September 2023 (Authorised Capital 2018/I).

Material agreements of the Company that are subject to the condition of a change of control as a result of a takeover bid:

There are no such contractual provisions for the members of the Management Board.

Compensation agreements concluded by the Company with members of the Management Board or employees in the event of a takeover bid:

There are no compensation agreements with members of the Management Board or employees in the event of a takeover bid.

6. Declaration on corporate governance pursuant to § 289f HGB

Reporting in accordance with Section 289f of the German Commercial Code (HGB) is available on the Company's website at http://wildbunch.eu/de/investor-relations/corporate-governance/ .

7. Dependency report

In accordance with section 312 of the AktG, the Management Board has prepared a report on relations with affiliated companies, which contains the following concluding declaration:

> *"We declare that the Company received appropriate consideration for each transaction with controlling and affiliated companies in accordance with the circumstances known to us at the time the transactions were entered into and that the Company was not disadvantaged by any measures taken or omitted.*
>
> *In the reporting period, no legal transactions or measures were carried out or taken at the instigation or in the interest of the controlling company or its affiliated companies, nor were they omitted. "*

8. Remuneration report

The members of the Management Board receive a fixed annual salary (including a subsidy for old-age provision and, if applicable, a subsidy for health and long-term care insurance) as well as a bonus payment if certain corporate targets are achieved, which takes appropriate account of the economic situation of the Company and the performance of the Management Board member. In addition, the Supervisory Board may grant the members of the Management Board an additional voluntary bonus of up to € 100 thousand in the event of extraordinary performance. The basis of the remuneration system is unchanged from the previous year to the extent that the members of the Management Board are no longer granted a bonus taking into account the short-term and long-term business results.

In the event of premature termination of the employment relationship, the Executive Board contracts do not contain any express severance payment commitments. However, a severance payment may result from a termination agreement to be reached individually.

Members of the Supervisory Board receive fixed remuneration, the amount of which is determined by the resolution of the Annual General Meeting. They shall also be reimbursed for expenses incurred in connection with their activities.

For further details, please refer to section 5.10 "Total remuneration of the Supervisory Board and Management Board" in the notes to the consolidated financial statements.

Berlin, 5 May 2019

Vincent Grimond	Max Sturm
Chief Executive Officer (CEO)	(CFO)

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