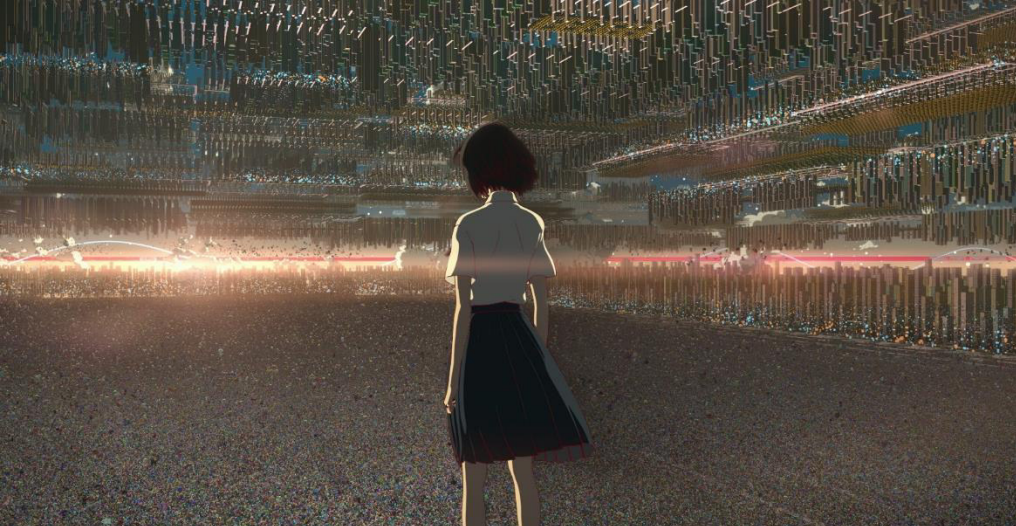


# wild bunch

## HALF-YEAR FINANCIAL REPORT

### 2021



À LA CARTE

FILMOTV

ESSAI GRATUIT

# LE CINÉMA ET RIEN D'AUTRE

LES MEILLEURS FILMS D'HIER, D'AUJOURD'HUI ET DE DEMAIN

6€99/mois  
Illimité et sans engagement

**ESSAI GRATUIT**

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**INCLUS DANS L'ABONNEMENT**

- ✓ Des centaines de films dans tous les genres.
- ✓ Des nouveautés chaque semaine.
- ✓ Des entretiens exceptionnels avec les plus grands cinéastes.
- ✓ -50% sur l'offre à la carte\*

**BLOCKBUSTER** **CLASSIQUE** **GENRE** **AUTEUR**

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FILMOTV c'est le cinéma dans toute sa richesse et diversité. Depuis le patrimoine qui nous est cher jusqu'aux découvertes contemporaines que nous dénichons aux 4 coins du monde...

Nous n'avons pas de préjugé : tous les cinémas trouvent leur place chez nous.

FILMOTV c'est aussi une collaboration étroite avec tous ceux qui font le cinéma, des grands réalisateurs aux experts les plus passionnés. Grâce à eux, nous construisons des sélections qui mêlent les incontournables aux découvertes les plus surprenantes !

MULTI ÉCRANS

STREAMING ET HORS CONNEXION

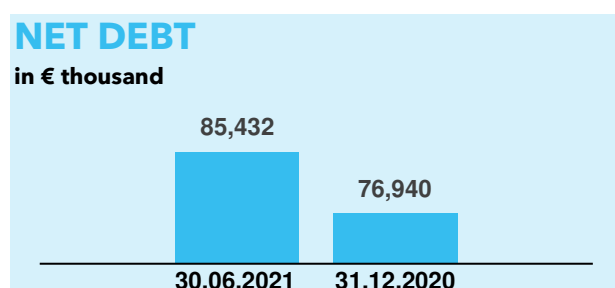
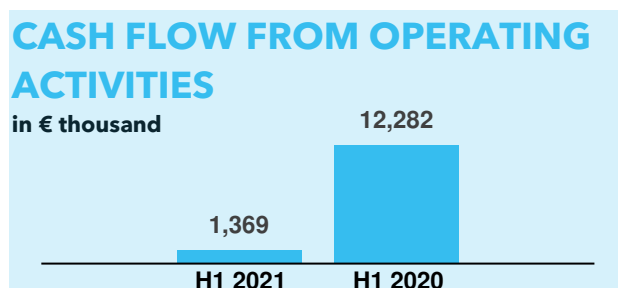
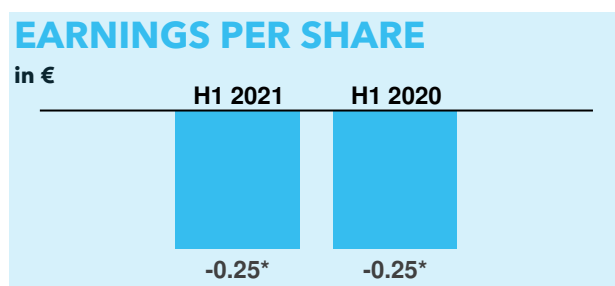
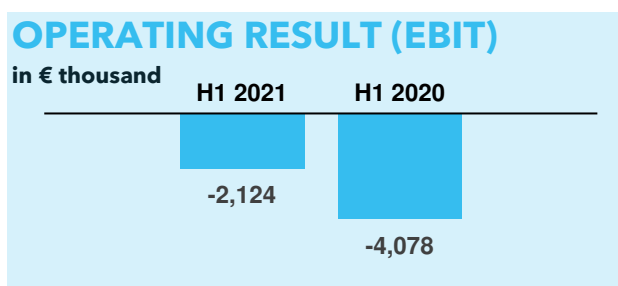
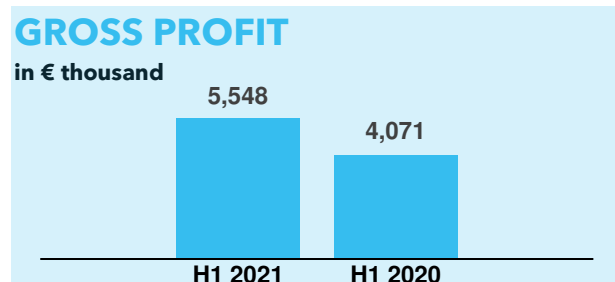
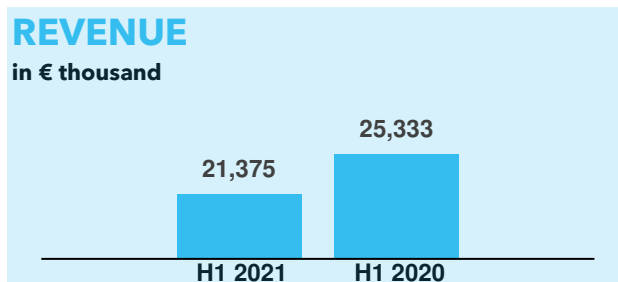
2 ÉCRANS EN SIMULTANÉ

**COMMENCEZ VOTRE ESSAI GRATUIT DE 14 JOURS**

\* Tarif possible sur base d'un abonnement à l'essai gratuit de 14 jours. Le prix de l'abonnement est de 6,99€ par mois. Le prix de l'essai gratuit est de 1,99€ par jour. Le prix de l'abonnement est de 6,99€ par mois. Le prix de l'essai gratuit est de 1,99€ par jour. Le prix de l'abonnement est de 6,99€ par mois. Le prix de l'essai gratuit est de 1,99€ par jour.



# HIGHLIGHTS



\* based on an average of 23,942,695 shares outstanding in H1 2021 and H1 2020.

- 2021 H1 figures significantly impacted by Covid-19 pandemic
- Group revenue decreases by 15.6 % to € 21.4 million.
- Group EBIT reaches € -2.1 million.
- Net debt increased to € 85.4 million  
(Net debt corresponds to financial liabilities excluding lease liabilities less cash and cash equivalents)

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## INTRODUCTION

Wild Bunch AG (hereinafter referred to as "Wild Bunch"), is a stock listed corporation with registered offices in Berlin, Germany.

The Group is a leading independent European film and TV series distribution and production services company active in the field of content acquisition, film and TV series financing, co-production, film and TV series distribution and international sales and currently managing a library of around 2,500 film & TV series titles. The geographical focus of business activities is on France, Germany/Austria, Italy and Spain. This makes Wild Bunch the only independent group that is simultaneously present in these countries with its companies and brands in film & TV series production and distribution, and thus has a Europe-wide network. In addition, the Group serves the entertainment market worldwide with its international distribution labels and direct sales.

The half-year financial report 2021 of Wild Bunch AG meets the requirements of the applicable provisions of the German Securities Trading Act (WpHG) and, in accordance with Section 115 WpHG, includes condensed consolidated half-year financial statements, an interim group management report and a responsibility statement.

The consolidated interim financial statements 2021 have been prepared in accordance with the IFRS applicable to interim financial reporting as published by the IASB and applicable in the EU.

The half-year financial report should be read in conjunction with our annual report for the 2020 financial year. This includes a comprehensive presentation of our business activities and explanations of the key financial figures used and is published on [www//wildbunch.eu/investors/publications/](http://www.wildbunch.eu/investors/publications/) in the section Financial reports.

# INTERIM GROUP MANAGEMENT REPORT

## 1.1 PRINCIPLES OF THE GROUP, GROUP STRATEGY AND MANAGEMENT

There were no changes in the Group structure in the first half of 2021. For information on Group strategy and management, we refer to the explanations in the combined Group and Management report 2020 in the version published on 30 April 2021 (Annual Report 2020).

## 1.2 MAJOR OPERATING EVENTS IN THE FIRST HALF OF 2021

In the first half of the 2021 financial year, the Wild Bunch Group was still operating in an entertainment and media market massively affected by the Corona Pandemic.

In response to this crisis and given its impact on operations, Wild Bunch has been making, and will continue to make all possible efforts to mitigate, as much as possible, the negative consequences of the situation in the first six months of 2021.

This includes likewise trying to benefit from the supporting measures taken by the governments in several of our operating countries. But it also encompasses a strong and intense effort to sell the existing inventory to those customers who are least suffering of the situation.

### **Theatrical Distribution**

The cinemas in our four core markets were closed from January to April or May depending on countries. The cinemas reopened under strict conditions that varied from country to country, such as curfews after 9 pm, limited seating capacity, mandatory masks, minimum distance and hygiene regulations.

It appeared that, after such reopenings, audiences were still reluctant to attend and therefore the box office results are disappointing. The theatrical release of major Hollywood blockbuster is still to come, which should further impact independent movies admissions. Wild Bunch worked and is still working at refining its theatrical release strategy respectively at finding alternatives, like direct sales to electronic platforms.

### **International sales**

The Corona Pandemic also induced the cancellation or postponement in the first half of 2021 of several markets and festivals important for the Wild Bunch Group, such as Berlinale or Festival and Marché du Film de Cannes. These markets are key events for selling and acquiring movies. Even if the operators organized digital markets, these remained less efficient than live events.

On top of that, local distributors who acquired movies for a theatrical release in 2020 or 2021 also faced the closing of the theatres and further on tended to postpone or cancel the delivery of some movies.

### **Wild Bunch TV**

Wild Bunch TV activities were also still impacted by the Corona Pandemic. As a TV distributor, selling internationally TV series, Wild Bunch TV was also affected by the postponement or digital replacement of various important international markets (e.g. Séries Mania, NATPE) and had to realign and adapt to the alternative marketing channel of digital markets. Thanks to a renewed product range, however, Wild Bunch TV succeeded in this adaptation and was able to sell new TV series internationally and maintain its activities.

### **Electronic Distribution, Home Entertainment and TV Sales**

Globally, during the first half of 2021, electronic distribution and, in a lesser proportion, TV sales remained two strong segments of our operational activities.

In the Corona Pandemic context, broadcasters still needed ready-made content. But traditional TV sales activities were further on affected by the slowdown in advertising activity for free TV's and by the problems encountered by pay TV's in many territories (e.g. SVOD competition, cancellation of sports programs).

Globally, in Wild Bunch key markets, during the first half of 2021, VOD and SVOD were strong segments in our business. In the short term during the Corona Pandemic, but also in the long term, the industry is experiencing a significant shift in content consumption, with high demand for streaming services. For example, the Group launched three new AVOD channels (Advertising Video-on-Demand – ad-supported streaming) in France under the name WILD SIDE TV. Launched on Samsung TV Plus, Molotov and Pluto TV, Wild Side TV offers nearly 100 films per month that can be watched by more than 20 million people in France. Convinced by the tremendous growth of AVOD against a backdrop of strong growth in OTT usage and ease of access, Wild Bunch will continue to strengthen this innovative approach in the future to make the content of its film library available to the widest possible audience.

### **FilmoTV**

FilmoTV, the VOD/SVOD platform of the Wild Bunch Group in France, seamlessly follows on from the successful year 2020 and continued to develop dynamically in the first half of the year. In addition to the introduction of a new website to improve user-friendliness, successes were also achieved in the distribution of the service. Thus, the expansion of the presence on Amazon Prime Video was achieved. Furthermore, the launch on the leading streaming platform Molotov, the integration in the



SFR cinema bouquets and the launch on the Free OTT Box "Pop" as an embedded service in the Free Video platform were achieved in France.

### **Production and coproduction activities**

During the first half of 2021, the Wild Bunch Group production and coproduction activities were also impacted by the pandemic crisis. High corona hygiene regulations and safety measures lead to higher expenses in the resumed production activities. Nevertheless, Wild Bunch has continued to develop its portfolio with extremely attractive projects. For example, the TV series NUDES, BIM Produzione's first production in co-production with Rai Fiction, was launched on RaiPlay's free-on-demand platform in April 2021 and was the highest-grossing RaiPlay original series of the year. In Germany, Wild Bunch Germany operates through the Senator Film Produktion label as part of its film and TV series production activities. Currently, more than 15 projects are in preparation or production, including series or TV feature films as well as animated films and feature films for theatrical exploitation. In March, the co-production TASTE was awarded the Special Jury Prize in the "Encounters" section at the Berlinale. The Netflix production PREY was completed on time and will be released worldwide on the platform in September. In the second half of the year, the second season of the hit series WARTEN AUF'N BUS will also be completed. Four Senator Film Produktion projects are expected to start shooting in 2022.

## **1.3 NET ASSETS, FINANCIAL POSITION AND RESULT OF OPERATIONS OF THE GROUPS**

### ***Overall statement***

The business performance in the first half of 2021 was still affected by the impact of the Corona pandemic. Sales decreased slightly in the first half of 2021 compared to the first half of 2020 as expected. Due to lower cost of sales and lower administrative costs, the operating result (EBIT) improved significantly, but remained negative.

### ***THE GROUP'S FINANCIAL PERFORMANCE***

Revenues of the Wild Bunch Group decreased by 15.6 % to € 21,375 thousand in the first half of 2021 (6M 2020: € 25,333 thousand). The closure of cinemas leads to a slump in cinema revenues. Revenues in international distribution suffered from the cancellation of numerous film markets and TV distribution suffered from the reluctance of many broadcasters to purchase films and productions. The gross profit reached € 5,548 thousand (6M 2020: € 4,071 thousand) and the operating result (EBIT) of € -2,124 thousand was significantly above the value of the comparative period (6M 2020: € -4,078 thousand) but still in negative range. The consolidated result for the first six months of 2021 was € -5,817 thousand compared with € -5,948 thousand in the same period of the previous year. This is just about in line with the expectations of the Executive Board.

The following developments should be presented in more detail:

In the first half of 2021, the Wild Bunch Group generated total income of € 22,384 thousand (6M 2020: € 26,045 thousand). The total income, i.e. sales revenues and other film-related revenues declined by 14 %. The International Sales and Distribution and Film Production segment generated revenues of € 18,995 thousand (6M 2020: € 22,534 thousand), while the Miscellaneous segment generated revenues of € 2,380 thousand (6M 2020: € 2,799 thousand) in the first six months of 2021. The increased number of subscribers added to FilmoTV as a result of the Corona pandemic has still not had a noticeable impact on revenues in the first half of the year.

In the first six months of 2021, the Group generated other film-related revenues of € 1,009 thousand (6M 2020: € 712 thousand) mainly from film subsidies.

In the first half of 2021, the costs of sales were 23.4 % lower due to exploitation and amounted to € 16,836 thousand (6M 2020: € 21,974 thousand). Administrative expenses declined further to € 8,006 thousand (6M 2020: € 8,930 thousand).

At € -3,582 thousand, the financial result was significantly lower than the previous year's figure of € -1,795 thousand. The financial result for the previous year includes a one-off gain of €1,300 thousand due to the reduced repayment of the loan from Bank Leumi. Even after adjusting for this one-time effect, the financial result was approximately 16 % lower than in the previous year due to higher interest expenses.

Shareholders' earnings increased by € 43 thousand to € -6,003 thousand (6M 2020: € -6,046 thousand) and were thus in line with the expectations of the Executive Board. Earnings per share amounted to € -0.25 as in the previous year (6M 2020: € -0.25).

### **THE GROUP'S NET ASSETS**

The total assets as of 30 June 2021 amounted to € 189,111 thousand and were thus 7.8 % lower than on 31 December 2020 with € 205,168 thousand.

Non-current assets increased slightly by € 290 thousand to € 131,953 thousand (31.12.2020: € 131,663 thousand) of which € 55,129 thousand were intangible assets. Intangible assets mainly include film assets.

Current assets decreased by € 16,347 thousand to € 57,158 thousand (31.12.2020: € 73,506 thousand) mainly due to the decrease in trade receivables, other current assets. Cash and cash equivalents amounted to € 21,753 thousand around € 7,125 thousand lower than in the previous

year (31.12.2020: € 28,878 thousand) mainly due to investments in new film assets. Cash and cash equivalents include € 8.8 million pledged as collateral for the loan from Commerzbank AG. The company cannot freely dispose of this amount. This amount was made available to the Company by Voltaire Finance B.V. as a short-term loan in the financial year 2020.

The equity ratio as of June 30, 2021, was 13.1 % compared to 14.9 % as of December 31, 2020. The decrease in the equity ratio is mainly due to loss in the first half of the year 2021.

As of June 30, 2021, non-current liabilities amounted to € 75,492 thousand (31.12.2020: € 74,529 thousand) and essentially include the non-current financial liabilities from loans of Voltaire Finance B.V. in the nominal amount of € 66,5 million (31.12.2020: € 66,5 million). By agreement dated 15 April 2021, the deferral of the obligation to pay all interest accrued to date was extended until 31 December 2022.

In total, current liabilities amounted to € 88,831 thousand (31.12.2020: € 99,989 thousand). Thereby, liabilities to banks decreased by a total of € 1,783 thousand.

## **THE GROUP'S FINANCIAL SITUATION**

In the first half of 2021, the Wild Bunch Group generated a positive operating cash flow of € 1,369 thousand (6M 2020: € 12,282 thousand). The decrease is mainly due to a slowdown in activity. Cash flow from investing activities in the first half of 2021 amounted to € -9,619 thousand (6M 2020: € -9,497 thousand). The company invested primarily in film exploitation rights, which will be exploited along the individual value chains, particularly in the coming years. The cash flow from financing activities shows a cash inflow of € 395 thousand (6M 2020: cash outflow of € 2,790 thousand).

The Group's total net debt (financial liabilities excluding leasing liabilities according to IFRS 16 less cash and cash equivalents) as of June 30, 2021, amounted to € 85,432 thousand (31.12.2020: € 76,940 thousand).

## **1.4 FORECAST REPORT**

The situation derived from the Corona pandemic entails that Wild Bunch will not be able to increase its investments, releases and sales of films and TV series.

It is very uncertain to make a forecast at this time. The Executive Board continues to assume that the situation of the theatres and the international sales markets will improve only slightly, if at all, by the end of the 2021 financial year due to the huge number of movies that were not exploited during the Corona pandemic which creates today "traffic jam" and competition, especially against blockbusters.

The Executive Board is still optimistic about the resumption and expansion of production activities in the individual core markets to create new cinematic content for distribution in the coming years.

In summary, we expect revenues for the 2021 financial year to be slightly below that of 2020. Group EBIT is expected to be in a range of approximately € -8,000 thousand to -10,000 thousand. In addition, it was assumed that net debt will be significantly above the previous year's level.

Here, too, it must be taken into account that the actual result depends to a large extent on events that are beyond the company's control and whose occurrence is unknown worldwide.

## 1.5 OPPORTUNITY AND RISK REPORT

The annual report for the 2020 financial year outlines certain risks that could have a material adverse effect on the net assets, financial position and results of operations and the going concern status of the company. In addition, we have described our most significant opportunities and the structure of our risk management system.

As the further development of the Corona pandemic in the core markets in which Wild Bunch operates is currently not foreseeable, it is not possible at present to make a sound estimate of its consequences. For this reason, the content of this risk report is subject to significant uncertainties.

However, Wild Bunch assumes that the following categories of risks in particular, as reported in the 2020 Annual Report, are particularly imminent as a result of the Corona pandemic: distribution risks, the risk of access to new film rights, the risk of reduced consumer spending due to economic uncertainty, higher regulatory requirements due to national pandemic legislation, default risks among customers and business partners, liquidity risks, the risk of additional financing requirements, and as well as impairment risks for assets compared to the end of 2020. The impact of these risks and the probability of their occurrence cannot be accurately assessed. However, the Wild Bunch Group cannot rule out the possibility that one or more risks may have a very high impact. The background to this uncertainty is that the duration and extent of the Corona pandemic and the start and strength of a subsequent recovery phase cannot be estimated at present.

The assessment of the opportunities mentioned in the 2020 Opportunities Report has not changed fundamentally.

On the basis of the information and estimates currently available, in particular the probability of occurrence, the maximum amount of damage and the effect of the countermeasures taken, the Executive Board of Wild Bunch AG remains convinced that, apart from the liquidity risks described above, there are currently no known risks that could jeopardise the continued existence of the Group.

Should the expected earnings contributions from film exploitation rights acquired and yet to be acquired not develop as planned and the operating business of the subsidiaries fall significantly short of expectations, the continuation of the company in its current scope of business, despite the financing agreements concluded and despite the financial resources made available by investors, depends largely on the successful raising of additional funds.

In the reporting period, no further significant risks and opportunities were identified that go beyond the risks and opportunities presented in the Annual Report for the 2020 financial year and in this half-yearly financial report. Other risks and opportunities, of which we are currently unaware or which we consider insignificant at present, could also affect our business activities and the net assets, financial position and results of operations. We also refer to the notes and forward-looking statements at the end of this report.



# Consolidated Interim Financial Statements

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# Consolidated interim financial statements

## Consolidated Income Statement

in T€	First half 2021	First half 2020
Revenue	21,375	25,333
Other film-related income	1,009	712
<b>Operating income</b>	<b>22,384</b>	<b>26,045</b>
Production costs of the services rendered to generate the sales revenue	-16,836	-21,974
<b>Gross profit</b>	<b>5,548</b>	<b>4,071</b>
Other operating income	512	818
Administrative expenses	-8,006	-8,930
Other operating expenses	-178	-38
<b>Profit before financial result and income taxes</b>	<b>-2,124</b>	<b>-4,078</b>
Financial income	229	1,313
Financial expenses	-3,676	-3,302
Result of associated companies or joint ventures	-135	194
<b>Financial result</b>	<b>-3,582</b>	<b>-1,795</b>
<b>Group result before income taxes</b>	<b>-5,706</b>	<b>-5,873</b>
Taxes on income and earnings	-111	-74
<b>Group result</b>	<b>-5,817</b>	<b>-5,948</b>
Profit attributable to non-controlling interests	186	99
<b>Share of profit attributable to shareholders</b>	<b>-6,003</b>	<b>-6,046</b>
Weighted average number of shares (units)	23,942,695	23,942,695
Potentially diluted number of shares (units)	23,942,695	23,942,695
Weighted average of all shares (units)	23,942,695	23,942,695
<b>Earnings per share</b>		
Basic earnings per share (€ per share)	-0.25	-0.25
Diluted earnings per share (€ per share)	-0.25	-0.25



# Consolidated interim financial statements

## Condensed Consolidated Statement of Comprehensive Income

in T€	First half 2021	First half 2020
Statement of recognised income and expense		
<b>Group result</b>	<b>-5,817</b>	<b>-5,948</b>
<b>Items that will be reclassified to the income statement in the future</b>		
Currency translation of foreign operations	0	0
<b>Items that will not be reclassified to the income statement in the future</b>		
Actuarial gain and loss from defined benefit plans	0	0
Deferred taxes	0	0
<b>Other result</b>	<b>0</b>	<b>0</b>
<b>Consolidated total income</b>	<b>-5,817</b>	<b>-5,948</b>
Profit attributable to non-controlling interests	186	99
<b>Share of profit attributable to shareholders</b>	<b>-6,003</b>	<b>-6,046</b>

# Consolidated interim financial statements

## Condensed Consolidated Balance Sheet - Assets

in T€	30.06.2021	31.12.2020
Goodwill	69,656	69,656
Intangible assets	55,129	54,366
Rights of use	3,071	3,534
Property, plant and equipment	776	814
Financial assets	827	816
Investments in associates and joint ventures	1,812	1,842
Deferred tax assets	585	400
Other assets	97	235
<b>Non-current assets</b>	<b>131,953</b>	<b>131,663</b>
Inventories	2,515	2,523
Receivables from deliveries and services	19,721	23,757
Income Tax Receivables	58	244
Other current financial assets	6,764	12,328
Other current non-financial assets	6,348	5,776
Cash and cash equivalents	21,753	28,878
<b>Current assets</b>	<b>57,158</b>	<b>73,506</b>
<b>Assets</b>	<b>189,111</b>	<b>205,168</b>

## Condensed Consolidated Balance Sheet - Equity and Liabilities

in T€	30.06.2021	31.12.2020
Equity Shareholders	24,862	30,859
Non-controlling interests	-74	-209
<b>Equity</b>	<b>24,788</b>	<b>30,650</b>
Pension obligations	616	616
Provisions	37	17
Deferred tax liabilities	2,213	1,916
Financial liabilities	69,335	69,336
Other liabilities	3,292	2,643
<b>Non-current liabilities</b>	<b>75,492</b>	<b>74,529</b>
Provisions	1,349	1,344
Current Financial liabilities	41,773	40,374
Liabilities from deliveries and services	16,914	23,438
Contractual liabilities	11,739	13,492
Income Tax payables	281	349
Other current financial liabilities	10,982	14,505
Other current non-financial liabilities	5,793	6,487
<b>Current liabilities</b>	<b>88,831</b>	<b>99,989</b>
<b>Liabilities</b>	<b>189,111</b>	<b>205,168</b>

# Consolidated interim financial statements

## Condensed Consolidated Statement of Cash Flows

in T€	First half 2021	First half 2020
<b>Group result</b>	<b>-5,817</b>	<b>-5,948</b>
Depreciation / write-ups	8,710	9,134
Result of companies included according to the equity method	135	-194
Result from the disposal of consolidated subsidiaries and business units as well as intangible assets, property, plant and equipment and financial assets	0	-67
Change in provisions	25	-625
Change in deferred taxes	111	-0
Other non-cash income and expenses	90	1,516
Change in trade receivables	3,323	4,042
Change in trade payables	-4,106	8
Change in other assets and liabilities	-1,102	4,416
<b>Cash flow from operating activities</b>	<b>1,369</b>	<b>12,282</b>
Proceeds from disposals of intangible assets and property, plant and equipment	33	0
Investments in intangible assets	-9,529	-9,440
Investments in property, plant and equipment	-8	-58
Acquisition of shares in consolidated subsidiaries and business units less cash acquired	-105	0
Purchase of financial assets	-11	0
<b>Cash flow from investing activities</b>	<b>-9,619</b>	<b>-9,497</b>
Purchase of non-controlling interests	-45	0
Issuance of shares	0	0
Proceeds from other financial liabilities	3,270	25,106
Repayment of other financial liabilities	-2,633	-27,678
Repayment of liabilities from leases	-197	-219
<b>Cash flow from financing activities</b>	<b>395</b>	<b>-2,790</b>
<b>Changes in cash and cash equivalents with an effect on payments</b>	<b>-7,855</b>	<b>-5</b>
Cash and cash equivalents at the beginning of the period	24,924	21,335
<b>Cash and cash equivalents at the end of the period</b>	<b>17,069</b>	<b>21,330</b>

# Consolidated interim financial statements

## Consolidated Statement of Changes in Equity

in T€	Subscribed capital	Capital reserve	Generated equity
<b>Status 1 January 2020</b>	<b>23,943</b>	<b>55,349</b>	<b>26,896</b>
Change in the scope of consolidation	-	-	-
Other contributions to equity		1,300	
Annual result	-	-	-76,385
Other result	-	-	-
Other adjustments	-	-	-206
<b>Status 31 December 2020</b>	<b>23,943</b>	<b>56,649</b>	<b>-49,694</b>
<b>Status 1 January 2021</b>	<b>23,943</b>	<b>56,649</b>	<b>-49,694</b>
Change in the scope of consolidation	-	-	23
Result for the period	-	-	-6,003
Other adjustments	-	-	-18
<b>Status 30 June 2021</b>	<b>23,943</b>	<b>56,649</b>	<b>-55,692</b>

### Accumulated other equity

Currency translation differences	Other Equity	Other Equity Taxes	Equity Shareholders	Non-controlling interests	Equity
	<b>-136</b>	<b>46</b>	<b>106,098</b>	<b>-317</b>	<b>105,781</b>
-	-	-	-	-	-
			1,300		1,300
-	-	-	-76,385	42	-76,342
-0	71	-19	52	-	52
-	-	-	-206	66	-140
<b>0</b>	<b>-65</b>	<b>27</b>	<b>30,860</b>	<b>-209</b>	<b>30,650</b>
<b>0</b>	<b>-65</b>	<b>27</b>	<b>30,860</b>	<b>-209</b>	<b>30,650</b>
-	-	-	23	-68	-45
-	-	-	-6,003	186	-5,817
-	-	-	-18	18	-
<b>0</b>	<b>-65</b>	<b>27</b>	<b>24,862</b>	<b>-74</b>	<b>24,788</b>

# Consolidated interim financial statements

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## Notes

### 1. General information

These condensed consolidated interim financial statements as of 30 June 2021 relate to Wild Bunch AG and its subsidiaries (the Group, the company or Wild Bunch). These consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as published by the International Accounting Standards Board (IASB) and adopted by the EU. The interim consolidated financial statements should be read in conjunction with the Wild Bunch IFRS consolidated financial statements as of 31 December 2020. The accounting policies applied in the consolidated half-year financial statements correspond to those applied in the consolidated financial statements for the 2020 financial year.

The results of the interim reporting period are not necessarily indicative of future business performance.

The half-year financial report was neither reviewed by an auditor nor audited in accordance with § 317 HGB. It was released for publication by the Executive Board on 29 September 2021.

#### 1.1 Basis of preparation of the condensed consolidated half-year financial statements 2021

The sample probe into the consolidated financial statements of Wild Bunch AG as of December 31, 2019 (examination pursuant to § 342b (2) sentence 3 no. 3 HGB) announced by the German Financial Reporting Enforcement Panel ("FREP") on July 28, 2020, took place, with interruptions, mainly in the period from October 2020 to June 2021 and resulted in findings by the FREP in July 2021. These relate to the following matters:

- Valuation of goodwill
- Valuation of the film distribution rights reported in the balance sheet
- Deduction of costs from equity in connection with the capital increases

The FREP concluded its examination into deferred taxes recognized in the consolidated balance sheet as of December 31, 2019, without any findings. In addition, no findings were upheld in relation to the disclosure of the ultimate controlling party in accordance with IAS 24.13 and trade receivables.

The Company timely notified FREP on September 3, 2021, that it disagreed with the FREP's findings.

In parallel, since its announcement on December 17, 2020, FREP also examined Wild Bunch AG's consolidated financial statements as of June 30, 2020, in the first half of 2021 by way of an event-related examination pursuant to § 342b (2) sentence 3 no. 1 HGB. The examination was prompted by doubts regarding the accounting treatment of goodwill and film titles as well as deferred tax assets. In this examination procedure, the FREP made preliminary findings on July 28, 2021, and final findings on September 14, 2021 with regard to the measurement of goodwill and the measurement of the recognized film distribution rights.

In a letter dated September 23, 2021, the Executive Board of Wild Bunch AG informed the FREP that it does not agree with the findings made on the consolidated financial statements of Wild Bunch AG as of June 30, 2020.

Wild Bunch AG's declaration of non-compliance with the FREP's error findings will lead to separate error determination proceedings at the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin). The Executive Board of Wild Bunch AG has suggested that the two proceedings at BaFin shall be combined and conducted jointly due to the factual connection. Usually, BaFin regularly extends its own examination to those areas in which there are indications of accounting errors or errors which the FREP may have already identified at the first stage accounting errors. In any case, BaFin is not prevented from expanding the scope of the examination if further examination requirements arise during the course of the examination because additional indications of errors in accounting arise. Overall, the Executive Board of Wild Bunch AG does not expect these two proceedings to be concluded in the short term.

It cannot be ruled out that both procedures will also lead to error findings at BaFin and that error corrections in accordance with IAS 8 resulting from the audit findings for the consolidated financial statements as of 31 December 2019 and the condensed consolidated financial statements as of 30 June 2020 may therefore be necessary in future consolidated financial statements.

There is therefore a risk that the consolidated earnings for 2019 and/or the half-year consolidated earnings for 2020, and thus the respective reported equity, could be reduced retrospectively due to a correction in the measurement of the goodwill or the film distribution rights reported in the balance sheet. Due to the amortization of goodwill in the 2020 consolidated financial statements, an improvement in the published consolidated earnings for 2020 could result in the event of an error correction in 2019.

As a result of the concerns raised by the FREP in relation to the valuation methods applied to the goodwill and film rental rights recognized, if the findings from the FREP examinations are confirmed, there is a risk that the carrying value of the film rental rights and goodwill recognized as at 30 June 2021 will be reduced (in excess of the impairment charge recognized as at 31 December 2020) and therefore equity will be overstated in these financial statements as at 30 June 2021.

The FREP did not comment on the potential amount of the errors. The Company assumes that the valuation methods applied to date are appropriate and has therefore not developed and simulated any alternative valuation methods to date.

The Company is currently a party to proceedings for the imposition of a fine by the German Federal Financial Supervisory Authority (BaFin). BaFin accuses the company of culpably publishing its half-year financial statements for the first half of 2016 late and has imposed a fine on the company. The Company is defending itself against the fine in court, with the date for a trial scheduled for the beginning of Q3 2021. The Executive Board expects the proceedings to be concluded by the end of 2021. In the event of a negative outcome of the proceedings for the Company, the Executive Board has already recognized provisions in previous years commensurate with the amount of the fine imposed and further monitors the accuracy of the provision on the basis of the development of the proceedings.

## 2. Changes in significant accounting policies

The following new or revised standards and interpretations potentially relevant for the consolidated financial statements of Wild Bunch AG, which were not yet mandatory in the reporting period or have not yet been adopted by the European Commission, are not applied early:

<b>Standards / Interpretations</b>		<b>Mandatory application in the EU</b>
<b>Amendments to IFRS 3</b>	Change of referencing to the current framework concept 2018.	01.01.2022
<b>Amendments to IAS 37</b>	Sharpening from "costs of fulfilling the contract" to "costs directly related to the contract".	01.01.2022
<b>Amendments to IAS 16</b>	Changes in the directly attributable costs of an item of property, plant and equipment.	01.01.2022
<b>Annual Improvements 2018-2020</b>	Improvements to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	01.01.2022
<b>IFRS 17 Insurance contracts</b>	New regulations including amendments to IFRS 17 Accounting Policies for Insurance Contracts. IFRS 17 will replace IFRS 4.	01.01.2023
<b>IAS 1</b> Presentation of the financial statements	Changes to the criteria for classifying debt as current or non-current.	01.01.2023
<b>IAS 1</b> Presentation of the financial statements including amendments to Practice Statement 2	Improvement of the disclosures on accounting methods and corresponding amendment of the guidance in Practice Statement 2	01.01.2023

<b>Standards / Interpretations</b>		<b>Mandatory application in the EU</b>
<b>IAS 8</b> Accounting policies, changes in accounting estimates and errors	Clarification on the distinction between changes in accounting policies and accounting estimates	01.01.2023
<b>IAS 12</b> Recognition of deferred taxes from a single transaction	Clarification of accounting for deferred taxes in the initial recognition of <i>leases</i> under IFRS 16 and decommissioning obligations in the cost of property, plant and equipment under IAS 16	01.01.2023
<b>Proposed Amendments to IFRS 16</b> <b>Leasingverhältnisse</b>	Covid-19-Related Rent Concessions beyond 30 June 2021	01.04.2021

The Group intends to apply these standards and interpretations from their effective date.

The effects of their first-time application on the presentation of the Group's net assets, financial position and results of operations are expected to be immaterial.

### 3. Exercise of discretion and estimation uncertainties

The preparation of the consolidated interim financial statements requires that the management make estimates, assumptions and discretionary decisions that affect the reported income, expenses, assets, liabilities, contingent assets and contingent liabilities at the time of the accounting. Due to the currently unforeseeable consequences of the Corona pandemic, these estimates, assumptions and discretionary decisions are subject to increased uncertainty. The actual amounts may differ from the estimates, assumptions and discretionary decisions. These deviations can have a significant impact on the Group's interim financial statements.

#### **Impairment of goodwill**

In accordance with IAS 36, annual impairment tests are carried out. If there is an indication of a possible impairment, an impairment test is carried out on an unscheduled basis. Impairment tests for goodwill are carried out at the level of the same cash-generating units.

In the context of the Corona pandemic, an impairment test was performed as of 31 December 2020 with an impairment of € 54,798 thousand.

As of 30 June 2021, there were no indications of requiring an impairment test.



## 4. Scope of consolidation

The composition of the scope of consolidation of the Wild Bunch Group has not been changed in comparison to the financial statements as of 31 December 2020. The Wild Bunch S.A., Paris, France, has increased its percentage of control in Elle Driver SAS, Paris, France, from 97.51 % as reported in December 2020 to 100 %, the consolidation method is unchanged.

## 5. Financial instruments

The following tables show the financial instruments by measurement category. The carrying amounts of the financial assets and liabilities reported in the consolidated balance sheet as of 30 June 2021 respectively 31 December 2020, which are assessed at amortised cost, are essentially the same as their fair values.

Financial assets as at 30.06.2021 in T€	Valuation according to IFRS 9				Fair value
	Book value	Amortised acquisition costs	Additional fair value, not affecting net income	Valuation according to IFRS 16	
Receivables from deliveries and services	19,721	19,721			19,721
Other financial assets	827	827			827
Other receivables	6,764	6,764			6,764
Cash and cash equivalents	21,753	21,753			21,753
<b>Financial assets</b>	<b>49,065</b>	<b>49,065</b>			<b>49,065</b>

Financial liabilities as at 30.06.2021 in T€	Valuation according to IFRS 9				Fair value
	Book value	Amortised acquisition costs	Additional fair value, not affecting income	Valuation according to IFRS 16	
<b>Financial liabilities</b>					
Liabilities to credit institutions	16,976	16,976			16,976
Leasing liabilities	3,923			3,923	3,923
Other financial liabilities	90,209	90,209			90,209
Trade Payables	16,914	16,914			16,914
Derivative financial liabilities	47		47		47
Other financial liabilities	10,935	10,935			10,935
<b>Financial liabilities</b>	<b>139,004</b>	<b>135,034</b>	<b>47</b>	<b>3,923</b>	<b>139,004</b>

Financial assets as at 31.12.2020 in T€	Valuation according to IFRS 9				Fair value
	Book value	Amortised acquisition costs	Additional fair value, not affecting income	Valuation according to IFRS 16	
Receivables from deliveries and services	23,757	23,757			23,757

Other financial assets	816	816	816
Other receivables	12,328	12,328	12,328
Cash and cash equivalents	28,878	28,878	28,878
<b>Financial assets</b>	<b>65,779</b>	<b>65,779</b>	<b>65,779</b>

Financial liabilities as at 31.12.2020 in T€	Valuation according to IFRS 9				
	Book value	Amortised acquisition costs	Additional fair value, not affecting income	Valuation according to IFRS 16	Fair value
Financial liabilities					
Liabilities to credit institutions	18,880	18,880			18,880
Leasing liabilities	3,773			3,773	3,773
Other financial liabilities	86,939	86,939			86,939
Liabilities from deliveries and services	23,438	23,438			23,438
Derivative financial liabilities	47		47		47
Other financial liabilities	14,458	14,458			14,458
<b>Financial liabilities</b>	<b>147,534</b>	<b>143,714</b>	<b>47</b>	<b>3,773</b>	<b>147,534</b>

## 6. Financial result

The financial result breaks down as follows:

Financial result in T€	First half 2021	First half 2020
Interest income	0	6
Foreign currency gains from non-operating activities	218	5
Other interest income	11	1,303
<b>Financial income</b>	<b>229</b>	<b>1,313</b>
Interest expenses from financial liabilities	-3,625	-3,183
Foreign currency losses from non-operating activities	-18	-59
Other interest expenses	-33	-60
<b>Financial expenses</b>	<b>-3,676</b>	<b>-3,302</b>
Share in the result of associated companies	-135	194
<b>Result of associated companies</b>	<b>-135</b>	<b>194</b>
<b>Total</b>	<b>-3,582</b>	<b>-1,795</b>

## 7. Segment reporting

Wild Bunch continues to be divided into the following two reportable business segments:

- (a) The “International Sales and Distribution and Film Production” operating segment includes the production and distribution of films.
- (b) The “Miscellaneous” operating segment encompasses the operation of a VOD platform and other activities.

The “International Sales and Distribution and Film Production” segment includes international sales and the domestic distribution of films in cinemas in France, Italy, Spain, Germany and Austria, distribution of feature films for broadcast on television, the sale of feature films in video and DVD formats, and the production of feature films.

The Executive Board monitors the operating results of the business units in order to make decisions about the allocation of resources and to determine the earnings capacity of units. Segment performance is evaluated based on the result and valued in accordance with the result in the consolidated financial statements.

Segment information Business segments in T€	International sales and distribution and film production		Other		Group	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Revenues	18,995	22,534	2,380	2,799	21,375	25,333
Other film-related income	524	184	485	528	1,009	712
Production costs of services rendered to generate sales revenue	-15,143	-19,462	-1,692	-2,511	-16,836	-21,974
<b>Segment result</b>	<b>4,375</b>	<b>3,256</b>	<b>1,173</b>	<b>816</b>	<b>5,548</b>	<b>4,071</b>
<b>Unallocated result elements:</b>						
Other operating income					512	818
Administrative expenses					-8,006	-8,930
Other operating expenses					-178	-38
<b>Profit before financial result and taxes</b>					<b>-2,124</b>	<b>-4,078</b>
Financial income					229	1,313
Financial expenses					-3,676	-3,302
Result of associated companies or joint ventures					-135	194
<b>Result before taxes</b>					<b>-5,706</b>	<b>-5,873</b>

## 8. Significant transactions with related parties

Related parties within the meaning of IAS 24 are companies or persons that control or are controlled by the Wild Bunch Group, in particular non-consolidated subsidiaries, joint ventures and associates accounted for using the equity method or at cost of acquisition.

Related parties are the members of the Executive Board and Supervisory Board of Wild Bunch AG and their families.

The company considers Voltaire Finance B.V. ("Voltaire"), Schiphol, the Netherlands and Tennor Holding B.V. ("Tennor"), Schiphol, the Netherlands to be related parties. Voltaire held a total of 96.9 % of the voting rights in the company as of June 30, 2021 (31.12.2020: 96.9 %). Furthermore, the Company considers Mr Lars Windhorst as a related party and "ultimate controlling party", as he controls Tennor according to the Company's information. Voltaire has provided the company with various loans totalling a nominal amount of € 75.3 million (31.12.2020: nominal amount of € 75.3 million). The company and Voltaire have agreed that Voltaire will defer the obligation to pay all interest accrued to date until 31 December 2022. Voltaire Finance B.V. provided the Company with a short-term loan of € 8.8 million in the 2020 financial year. This loan bears interest at 1 % per annum. Furthermore, Voltaire has assumed an unlimited, directly enforceable maximum amount guarantee in favour of Wild Bunch AG for the entire amount of the credit facility of € 35.0 million. Regarding the transaction of the Company with Voltaire, please refer to sections 3.10. and 3.14. of the notes to the consolidated financial statements in the annual report 2020 of the Wild Bunch Group published on 30 April 2021.

In the first half of the 2021 financial year, in addition to salary payments to the Executive Board of Wild Bunch AG and the statutory remuneration to the Supervisory Board members, the following transactions and business relationships took place with the following related parties:

With the associated company Circuito Cinema s.r.l., Rome, Italy, there were loans and receivables of € 297 thousand (31.12.2020: € 297 thousand) with the Group company BIM s.r.l., Rome, Italy, as of 30 June 2021. Furthermore, there were trade payables to Circuito Cinema in the amount of € 12.5 thousand (31.12.2020: € 29). In the first half of 2021, Circuito Cinema invoiced cinema revenues of € 23.3 thousand (6M 2020: € 31 thousand) with the shareholder BIM s.r.l.. In the first half of 2021, Circuito Cinema provided services in the context of press screening for the shareholder BIM s.r.l. in the amount of € 0.4 thousand (6M 2020: € 35 thousand).

In the 2017 financial year, BIM Distribuzione s.r.l. provided a guarantee of € 600 thousand for a bank loan received by Circuito Cinema s.r.l. from Banca Nazionale del Lavoro, which remains in place.

As of 30 June 2021, Wild Bunch S.A. has receivables of € 1,044 thousand (31 December 2020: € 1,572 thousand) from Wild Bunch International S.A., Paris, France. The receivables result from administrative services provided by Wild Bunch S.A. under a shared service agreement. Furthermore,

Wild Bunch S.A. has liabilities to Wild Bunch International S.A. of € 727 thousand (31 December 2020: € 1,262 thousand). The liabilities result from fees under the distribution agreement between the parties. In the reporting period, Wild Bunch International S.A. provided services in connection with the marketing of films in the amount of € 77 thousand. Furthermore, Wild Bunch S.A. charged costs totalling € 218 thousand for administration costs to Wild Bunch International S.A. in the first six months of the 2021 financial year.

Wild Bunch Germany GmbH has payables of € 40 thousand as of 30 June 2021 (31 December 2020: € 82 thousand) toward Wild Bunch International S.A. Vértigo Films S.L., Madrid, Spain, has also payables as of 30 June 2021 of € 89 thousand toward Wild Bunch International S.A.

There are no other significant transactions with the other associated companies.

All transactions with related parties were conducted at arm's length conditions.

## 9. Other financial obligations

Other financial obligations and contingent liabilities as of 30 June 2021 were as follows:

Other financial obligations and contingent liabilities in T€	30.06.2021				31.12.2020			
	Total	Remaining term up to 1 year	Remaining term from 1 to 5 years	Remaining term over 5 years	Total	Remaining term up to 1 year	Remaining term from 1 to 5 years	Remaining term over 5 years
Minimum guarantees	20,227	9,186	11,091	0	19,031	10,709	8,323	0
Other	257	163	94	0	260	164	96	0
<b>Total</b>	<b>20,534</b>	<b>9,349</b>	<b>11,185</b>	<b>0</b>	<b>19,291</b>	<b>10,872</b>	<b>8,419</b>	<b>0</b>

The financial obligations from minimum guarantees as of 30 June 2021 are predominantly reported with a remaining term of up to five years, but the completion dates for the individual films are often subject to uncertainties and can be significantly delayed in some cases.

In addition, there are contingent liabilities of € 10,402 thousand (31.12.2020: € 10,389 thousand) from subsidy loans repayable contingent on income in connection with production and distribution subsidies. However, these subsidies are only repayable from pro rata future revenues that exceed the costs. At present, the company does not assume that these subsidies will have to be repaid.

## 10. Events after the balance sheet date

No events of particular significance with significant impact on the results of operations, financial position or net assets of Wild Bunch occurred after the balance sheet date of June 30, 2021.

Berlin, 29 September 2021

Wild Bunch AG

A handwritten signature in blue ink, consisting of a large, stylized 'V' followed by a horizontal line and a vertical stroke.

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Vincent Grimond  
Chairman of the Executive Board

## Responsibility statement

I assure to the best of my knowledge that, in accordance with the applicable accounting principles, the consolidated half-year financial statements provide a true and fair view of the net assets, financial position and results of operations of the Group and that the combined interim Group management report, including the business performance, results and the position of the Group, are presented in such a way as to provide a true and fair view and describe the principal opportunities and risks associated with the expected development of the Group.

Berlin, 29 September 2021

Wild Bunch AG



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Vincent Grimond  
Chairman of the Executive Board

## **FORWARD-LOOKING STATEMENTS AND REFERENCES**

This document contains statements related to our future business and financial performance and future events or developments involving Wild Bunch that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," and "project" or words of similar meaning. Such statements are based on the current expectations and certain assumptions of Wild Bunch' management, of which many are beyond Wild Bunch' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Wild Bunch may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Wild Bunch neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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For technical reasons, there may be differences between the accounting records appearing in this document and those published pursuant to legal requirements.



# IMPRINT

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**Executive Board**

Vincent Grimond, Chairman of the Executive Board

**Court of Registry**

Berlin Charlottenburg Local Court

**Registered number**

HRB 68059

2021

## Credit of Photography

### Title

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