wild bunch

ANNUAL REPORT
2015

CONTENTS

COMPANY PROFILE

Wild Bunch AG (hereinafter "Wild Bunch" or "The Group") was created by the merger between the German entertainment company Senator Entertainment AG (hereinafter "Senator") and the European film distribution company Wild Bunch S.A. The Group that has its headquarters in Berlin and Paris is a leading independent film distribution and production services company that is listed on the Regulated Market (General Standard) of the Frankfurt Stock Exchange.

THE BUSINESS MODEL – ACTIVE IN THE AREAS OF ACQUISITION, FILM AND TV FINANCING, CO-PRODUCTION, FILM DISTRIBUTION AND INTERNATIONAL SALES WITH A PAN-EUROPEAN DISTRIBUTION NETWORK

The Group is a leading innovative independent European film distribution and production services company that is active in the areas of acquisition, film financing, co-production, film distribution and international sales. The company offers a wide range of distribution services. As a major player in international sales via its sales labels Wild Bunch International Sales, Elle Driver and Versatile, but also in direct distribution, the company has built up a worldwide distribution network which includes direct distribution in four countries:

- France with Wild Bunch Distribution SAS und Wild Side Video SAS,
- Italy with BIM Distribuzione s.r.l.,
- Germany with Wild Bunch Germany GmbH und Central Film Verleih GmbH and
- Spain with Vértigo SRL

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 is present in the field of film production with, among others, its brand Senator Film Produktion based in Berlin.

The company continuously supplies the entertainment sector with high-quality content – be it through its long-standing expertise in identifying attractive projects, its global network for filmmakers or its expertise in international film financing. It expanded its activities last year by founding the label Wild Bunch TV. The new label focuses on the co-production and distribution of TV series for the international TV market.

Wild Bunch currently has a total library of over 2,200 movie titles and co-finances and distributes up to an additional 100 new independent films a year. Well positioned thanks to both a wealth of experience widely recognized by the movie business world-wide, as well as a broad, artistically diverse selection of the best of director-led international cinema, Wild Bunch has facilitated the successful international distribution and success of numerous films, such as THE ARTIST, BLUE IS THE WARMEST COLOR, DHEEPAN, DRIVE, FAHRENHEIT 9/11, THE GRANDMASTER, INTOUCHABLES, THE KING'S SPEECH, LITTLE NICHOLAS (LE PETIT NICOLAS), MARCH OF THE PENGUINS, PAN'S LABYRINTH, THE READER, SIN CITY, SPIRITED AWAY, TWO LOVERS, VICKY CRISTINA BARCELONA OR VICTORIA. The company is wholly committed to providing the finest in international cinema to distributors and broadcasters throughout the world.

THE MANAGEMENT – EXPERIENCED MANAGEMENT TEAM

Wild Bunch AG's business activities are managed by an experienced management team. As Chief Executive Officer (CEO), Vincent Grimond brings his many years of experience in management positions in the film industry. He has a global network in the media and entertainment sector and previously served as CEO of StudioCanal and Senior Executive Vice President of Universal Studios. Brahim Chioua is the Chief Operating Officer (COO). He has a long experience in opertational management in the media industry. He has an extensive network of influential producers and filmmakers in France and abroad. Prior to creating Wild Bunch, he was responsible for the worldwide production and distribution of films at StudioCanal. Chief Content Officer (CCO), Vincent Maraval can draw on over 25 years of experience in the acquisition and sales of feature films. He is currently considered as one of the strongest acquisition and distribution professionals worldwide. Max Sturm, is Chief Financial Officer (CFO). Max Sturm joined Senator Entertainment AG in 2013, from Constantin Medien AG where he was Managing Director of sports segment.

THE STRATEGY – TAILOR-MADE PRODUCTS FOR PROFITABLE GROWTH

Wild Bunch has set itself the goal of further expanding its position as a leading independent European film distribution and production services company. It will leverage its strong international network and even more efficient structures made possible by the new Group to further promote its activities, particularly in its core markets, and to provide global film distributors and all movie distribution vehicles, from theaters to digital on-demand services, with first class movies and TV series. Besides further penetration of existing markets, the development of new market segments is an essential element of its growth strategy. In light of the progression of digitalization and consequently the change of linear TV consumption to on-demand TV, the company sees itself as a pioneer in developing innovative solutions for production, distribution and international sales. The company actively designs this drastic paradigm shift and continuously works to accelerate the commercialization of content via digital channels. Tailor-made, attractive content and services for the entertainment sector – this is in brief the way in which Wild Bunch intends to achieve profitable growth in the years to come.

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

2015 was the year of big changes for our company. The merger of Senator Entertainment AG and Wild Bunch S.A. took place in February 2015; thus, transforming the company from being a major player on the German market to becoming a leading pan-European company that focusses on production, distribution and international sales. The company also changed its name to Wild Bunch AG which ensures a high recognition value for our Group. We now have a unique international focus and a comprehensive portfolio ranging from international sales to direct electronic distribution. Our film library includes more than 2,200 movies and TV shows and we are active amongst Europe's most important film markets, Germany/Austria, France, Italy and Spain.

This step towards becoming a leading pan-European company is also reflected in our figures for financial year 2015. The table below shows the key financial figures of Wild Bunch AG as of 31 December 2015 compared to the financial figures of Senator Entertainment AG as of 31 December 2014.

In financial year 2015, we were able to execute significant operative measures in the areas of distribution and international sales and thus once again prove the innovative force of Wild Bunch. With Insiders, we established a new international distribution company that focuses on the sale of independent international films. We have put together a top class line-up with movies like JACKIE by Pablo Larrain, LOVING by Jeff Nichols, WIND RIVER by Taylor Sheridan and FLAG DAY by Sean Penn.

Building on the increased use of VoD services, we also established the distribution channel e-Cinema, which offers select films as exclusive VoD events as an alternative to the time-limited cinema programme.

Furthermore, the Group expanded to TV programs with the creation of Wild Bunch TV, thus extending its activities to production and distribution of TV series dedicated to the international market. Wild Bunch TV will benefit from the Group's local distribution network in the individual markets for sourcing and distributing series and already announced the first two series: the eight-part Italian TV series MEDICI: MASTERS OF FLORENCE and the Spanish TV series FOUR SEASONS IN HAVANA.

We have undertaken another important step toward extending our market position as a leading European film production and distribution company by founding the China Europe Film Fund (CEFF) in cooperation with the Chinese investment fund that specialises in the film entertainment sector, China Film and TV Capital (CFATC). As a long-time partner of Chinese films, this is a natural evolution for Wild Bunch and we are thus creating a unique entity dedicated to the development and financing of high-quality pictures coproduced by Chinese and European producers.

Under the leadership of an internationally experienced management team, our goal is to play a key role in the European entertainment sector. On the way to achieving this, the Management Board had set three main objectives in 2015: integration of Senator and Wild Bunch to form one functioning unit and the merging of structures at the holding level, restructuring of the financial resources and the reversal of the trend with respect to operating profitability.

The two operating companies in Germany, Senator and Wild Bunch Germany, have been swiftly integrated into one entity. Since 1 May 2015, all operational business activities of Senator have been bundled under the umbrella of Wild Bunch Germany GmbH. Measures to simplify the structures and harmonise the systems have also been carried out inside the Group. These aim not only at supporting the effort to a uniform and seamless operational follow up, but also at generating productivity gains, especially at the holding level. This ambitious reorganization will last throughout 2016 and into 2017.

We have also continued to restructure our financial resources. Unfortunately, this is taking more time than originally expected. In March 2015, we paid back the € 10 million bond that was due by successfully placing a bond in the amount of € 15 million with a total term of 12 months. But it is only in February 2016 that Wild Bunch was able to strengthen its financial structure by carrying out a 10 % capital increase, for a total amount of € 15.2 million. Discussions with our banks on restructuring our existing loans for film acquisitions and a new long-term company loan have not yet been concluded. The refinancing process is still under way and our financial team is working hard this critical element of our strategy. Our aim remains to provide Wild Bunch with the adequate capital base and financial structure to support our ambitious growth strategy.

Although the earnings situation has been improved quite significantly compared to the former Senator, the results have not yet met our expectations despite some remarkable successes (VICTORIA in Germany, LA FAMILLE BELIER in Italy and Spain, LA TETE HAUTE in France and international sales, WOLF TOTEM in France and international sales or LE GRAND PARTAGE in France). This is partly due to the fact that ambitious films such as the French comedy QUI C'EST LES PLUS FORTS or the German release of TRACERS did not achieve the response from the public we had planned for. The terrorist attacks in Paris on 13 November 2015 also weighed significantly on the release of films in France at the end of the year. In 2015, Wild Bunch movies were recognised and awarded in local and international film festivals such as DHEEPAN by Jacques Audiard which won La Palme d'or at Cannes Film Festival (Wild Bunch international sales, BIM, Vértigo), VICTORIA by Sebastian Schipper received seven German Film awards including Best Film (Wild Bunch Germany), and also during Mostra of Venice, Toronto International Festival and San Sebastian Film Festival, OUR LITTLE SISTER by Kore-Eda Hirokazu received the audience award and EVOLUTION by Lucile Hadzihalilovic won the Special Jury and Best Cinematography awards.

With regard to the three objectives set for 2015, Wild Bunch has been able to make substantial progress. We therefore consider the steps taken in financial year 2015 in total to be a sign that we are on the right path. We succeeded in integrating the two German Group companies and made significant progress in consolidating the holding functions. While we were able to provide our operational business with valuable impetus and thus initiate an upward trend by adopting sustainable measures for the future, the delays in restructuring our financial resources have had a negative impact on the continued geographic expansion of the Group.

We nonetheless remain extremely ambitious for the future. In the months and years to come, we want to continue with our growth and assert ourselves as a leading pan-European group on the global filmed entertainment market. We definitely believe we shall complete our financial restructuring over the course of financial year 2016/2017, thus being in a position to finalize some of the operations aiming at expanding our geographical presence, increasing our presence in the sector of TV programs and optimizing our portfolio of rights. Giving substance to our strategic views is our number one priority for this financial year. The operational measures aiming at improving our efficiency and decreasing our costs will contribute to the improvement of our financial performance for the future. At the current stage of our development, the theatrical results of our movies remain an important component of our growth and profitability. We had high expectations for the most ambitious movies of the year such as ODYSSEE, a biopic about Jacques COUSTEAU, A FOND, a promising French comedy or KIKI, the first coproduction of our Spanish subsidiary with the TV group Telecinco or SPOTLIGHT that won the Oscar in the category Best Picture amongst numerous other awards. We shall also maintain our efforts to commercialize our sizable library, taking advantage of the appetite of the new digital services.

The Management Board

REPORT OF THE SUPERVISORY BOARD

In the following, the supervisory board reports on its activities in the 2015 fiscal, including the nature and extent of its activities to monitor the Company's management, discussions within the supervisory board, compliance with the provisions of the German Corporate Governance Code (DCGK), the audit of the financial statements of Wild Bunch AG and the Group, and personnel changes in the Company's governing bodies..

The supervisory board has a sufficient number of independent members in line with the recommendations of the DCGK.

COLLABORATION BETWEEN THE SUPERVISORY BOARD AND MANAGEMENT

In 2015, the supervisory board performed its functions and met its obligations in accordance with the law and the Company's articles of incorporation and bylaws. It continuously monitored the management of the Company, and provided regular support with the management and strategic direction of the Company in an advisory capacity.

The supervisory board received regular, prompt and comprehensive reports (both written and verbal) from the management. These reports contained all relevant information on the progress of business and the situation of the Group, including the risk situation and risk management. Discrepancies between the actual course of business and the ratified plans were presented, explained and discussed. The management coordinated the Group's strategic direction with the supervisory board and consulted with it on all of the Company's important business transactions – in particular the integration of the operational entities added to the Group through the merger between former Senator Entertainment AG and Wild Bunch S.A., the further strategic focus as well as the future funding of the Group. The supervisory board was consulted on all decisions of fundamental importance to the Company.The management also reported to the supervisory board on the most important financial performance indicators, and submitted business transactions requiring the supervisory board's approval or that were particularly important to the supervisory board in good time for resolution. The management also reported in detail to the supervisory board between meetings on special intentions and projects that were urgently necessary for the Company, and the supervisory board issued a written opinion if required to do so. The chairman of the supervisory board also received regular reports on the current state of business and important transactions at the Company outside the meetings of the supervisory board.

In addition to the activities described separately in this report, the supervisory board performed its monitoring function by receiving and discussing reports from the management, employees and external auditors.

MEETINGS OF THE SUPERVISORY BOARD

The supervisory board was convened nine times in 2015. The participation rate of its members in the meetings of the supervisory board was 97.8%.

COMMITTEES

The supervisory board has established the following two committees in order to facilitate the efficient performance of its duties: audit committee and investment committee. The audit and accounting committee convened twice in 2015. The investment committee convened once.

DISCUSSIONS WITHIN THE SUPERVISORY BOARD

The performance of the Group's and Company's revenue and earnings, the situation with respect to finance and liquidity, the strategic evolution of the business model and the Group's strategic focus (including with respect to the acquisition of shares in other companies) were the subject of regular reports from the management and discussions at meetings of the supervisory board. In the first half of the year, the meetings focused on the merger of the company with the French competitor Wild Bunch S.A., the succession to the chairmanship of the supervisory board, the conduct of the initial AGM after the merger, and the renaming and rebranding of the company. In the further course of the year, the supervisory board primarily discussed the ongoing preservation of liquidity, restructuring and capital measures and questions associated with these issues as well as intragroup financing.

The advice provided to the management by the supervisory board centered around the integration of the French, Italian and Spanish business entities, in particular the initial consolidation thereof, the company's global financing, in particular by issuing a corporate bond and by implementation of a capital increase from authorized capital in the amount of 10% of the share capital and managements ongoing consultations regards bank financing.

In addition to the topics already mentioned, the following subjects of discussion at the meetings of the supervisory board deserve particular mention:

- Advice to the Management regards to the conclusion of a service agreement with Wild Bunch Germany GmbH on the takeover of the operating business of the operating subsidiaries of former Senator Entertainment AG;
- Advice to the Management on staff reduction implemented in the operating subsidiaries of Senator Entertainment AG;
- Dealing with the effects of the insolvency of US filmmaker Relativity Media LLC, to which the company was in business relation until January 2015;
- As a result of the resignation of the Chairman of the supervisory board, Dr. Andreas Pres, discussions on the succession in the position of Chairman of the supervisory board;
- Advice to the Management on the operational integration of Wild Bunch Germany GmbH and the consolidation of Wild Bunch S.A., in particular on the timing and implementation of the plans laid out for the former Senator companies and their employees;
- Advice to the management on the internal financing of the company, in particular to finance the business of Wild Bunch S.A.

RESOLUTIONS OF THE SUPERVISORY BOARD

In the course of its meetings, the supervisory board passed resolutions regards the appointment of members of the management, Vincent Grimond, Brahim Chioua and Vincent Maraval, as well as regards offering them management service contracts. In addition, the supervisory board resolved on the termination of the service contract of Peter Heinzemann, managing director of Senator Film Verleih GmbH. In April 2015 the supervisory board adopted motions to approve the annual financial statements and to issue the compliance statement. The supervisory board discussed the requirements arising from the „Act for the Equal Participation of Women and Men in Executive Positions" and resolved on the future participation of women in executive positions (supervisory board and Management) within the company. Outside of its meetings, the supervisory board has adopted further resolutions, inter alia, on the issuance of corporate bonds in March and June 2015, on the implementation of a capital increase of up to 10% of the company's share capital as previously authorized by the AGM in June 2015.

CORPORATE GOVERNANCE

The supervisory board repeatedly addressed issues of corporate governance at the Company in its meetings. The management and the supervisory board agreed to update the declaration of compliance with the German Corporate Governance Code, and issued the joint declaration of compliance pursuant to Sec. 161 AktG in April 2014. The declaration is permanently available to the public on Wild Bunch AG's Internet page, together with earlier versions of the document. In it, the management and supervisory board declare that the recommendations of the German Corporate Governance Code as of 5 May 2015 have been complied with and will continue to be, with the exceptions referred to in the compliance statement. The management and supervisory board comment on corporate governance in the corporate governance report separately.

COMMENTS PURSUANT TO THE GERMAN ACT IMPLEMENTING TAKEOVER GUIDELINES

The supervisory board has examined the information provided in the management report of Wild Bunch AG and the group management report in accordance with Secs. 289 (4) and 315 (4) HGB ["Handelsgesetzbuch": German Commercial Code], as well as the management's comments in this respect. Please refer to the pertinent comments in the (group) management report. The supervisory board has examined and adopted the information and comments in question, and considers them to be complete.

COMPOSITION OF THE SUPERVISORY BOARD

The following changes in the composition of the Company's supervisory board occurred in fiscal year 2015. On May 16, 2015, the Chairman Dr. Andreas Pres resigned from his supervisory board seat. At its meeting on June 16, 2015, the supervisory board elected Wolf-Dieter Gramatke as his successor in the supervisory board's chairmanship and Mr. Norbert Kopp Deputy Chairman. On June 30, 2015, the supervisory board mandate of Mr. Norbert Kopp ended. At the instigation of the company, Mr. Hans Mahr was elected to the supervisory board by the Annual General Meeting by resolution of June 30, 2015 as the successor to Norbert Kopp. At the instigation of the Company, Mr. Benjamin Waisbren and Mr. Pierre Tattevin were elected to the supervisory board by resolution of the Annual General Meeting on June 30, 2015 in accordance with the provisions of the German Stock Corporation Act (AktG). Mr. Hans Mahr was elected Deputy Chairman of the supervisory board by resolution of the supervisory board on June 30.

COMPOSITION OF THE MANAGEMENT

The composition of the Company's management also changed in fiscal year 2015. At the beginning of the reporting year, Mr. Vincent Grimond, Mr. Brahim Chioua and Mr. Vincent Maraval were appointed further members to the management. Vincent Grimond was appointed Chairman of the management.

AUDIT OF THE FINANCIAL STATEMENTS OF WILD BUNCH AG AND THE GROUP AS OF 31 DECEMBER 2015

On 30 June 2015, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Berlin, was appointed by the annual general meeting and engaged by the supervisory board as auditors of the consolidated financial statements for the fiscal year from 1 January 2015 to 31 December 2015, as auditors and as auditors for the potential review of interim financial reports prepared before a 2016 AGM. The subject of the audit activities were the financial statements of Wild Bunch AG and management report for fiscal year 2015, which were submitted by the management and prepared in accordance with the provisions of HGB, and the financial statements and group management report for 2015, which were prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) as well as the provisions of commercial law to be applied in accordance with Sec. 315a (1) HGB. An unqualified audit opinion was issued for the annual financial statements of Wild Bunch AG. The audit opinion for consolidated financial statements was qualified.

The annual financial statements of Wild Bunch AG and the management report, as well as the consolidated financial statements, the management report for Wild Bunch AG and group management report for fiscal year 2015, were submitted to all members of the supervisory board. They were the subject of the meetings of the supervisory board held on 25 April 2017 and 29 September 2017. Although the annual financial statements were therefore not presented within the legal deadlines, the annual financial statements could be released within the statutory deadlines of December 31, 2016. The presentation was preceded by a complex review process, in which the focus was on the initial consolidation of the Group by means of reverse-take-over accounting on the basis of the financial statements of Wild Bunch S. A. Further audit procedures could not be completed until the third quarter of 2017. The supervisory board acknowledged the result of the audit with approval. According to the conclusive findings of its own review, there were no objections to be raised. The supervisory board approved the financial statements, management report, consolidated financial statements, the management report for Wild Bunch AG and group management report prepared by the management. This means that the financial statements for fiscal year 2015 have been ratified.

Following a transition year in 2014, 2015 was characterized by an essential fresh start of the merged Group. Financing and restructuring measures were discussed and agreed on, with the changes at the company level being mainly personnel-related, financial and structural in nature while the focus at the shareholder level was on implementation of substantial capital increases like the first tranche of a cash capital increase in the amount of 10% of the company's share capital whereby an amount of 1.88% related to the 2015 fiscal. The realignment of the Company as a result of the now completed merger with the much larger French company Wild Bunch S.A., and the associated expansion of the management, mark a completely new chapter in the Company's history. At the operating level, the company's results for 2015 continue to suffer the consequences of past product decisions, and among other things the associated adjustments to the valuation of Wild Bunch AG's film library. The result is also characterized by the one-off items, particularly as a result of the merger costs. The basis of the merged Company's business will be completely different in the years ahead as a pan-European player.

REVIEW OF THE MANAGEMENT'S REPORT ON RELATIONSHIPS WITH AFFILIATES (DEPENDENCY REPORT)

As a result of a shareholder participation of SWB Entertainment Investment BV, Schipol, Netherlands of more than 50% during the reporting year, Wild Bunch AG is regarded as being a single shareholder-dependent company. A controlling and profit and loss transfer agreement with SWB Entertainment Investment B.V. does not exist.

Accordingly, the Management of Wild Bunch AG has pursuant to section 312 AktG prepared a report on the relationship with affiliated companies for the 2015 fiscal year (dependency report). The Management submitted the dependency report to the supervisory board in due time.

The company's auditor assessed the specifications of the dependency report and issued the following approval:

„According to the final result of our audit, we do not raise any objections to the dependency report. We hereby issue the following acknowledgment:

Pursuant to our audit and assessment, we confirm that

- the specifications of the report are correct,
- the legal transactions presented in the report do not reflect that the consideration of the company was not unreasonably high or disadvantages had been compensated,
- No circumstances indicate an assessment being materially different from that of the Management regards the measures presented in the report.

Berlin, 21 September 2017

Deloitte & Touche GmbH

Wirtschaftsprüfungsgesellschaft

Scharpenberg	Rietz
Wirtschaftsprüfer	Wirtschaftsprüfer

The auditor reported to the supervisory board. The dependency report and the audit report were submitted to all supervisory board members in due time. At their meetings of 25 April 2017 and 29 September 2017, the supervisory board discussed the dependency report in detail with the Management. The auditor also attended the meeting and reported on its audit and the key findings of its audit. The members of the supervisory board came to the conclusion that the audit report meets the legal requirements.

In the course of its own assessment, the supervisory board, no indications for inaccuracy or incompleteness or other objections appeared. The supervisory board thus approved the results of the audit of the interim report by the auditor.

As a result of the supervisory board's own review of the dependency report, no objections are raised to the Management statement on the dependency report.

The supervisory board would like to thank the management, managers and employees for their high levels of motivation and their tremendous individual contributions to the evolved situation of the company.

The supervisory board

Berlin, 29 September 2017

Wolf-Dieter Gramatke

Chairman

SHARE PRICE PERFORMANCE

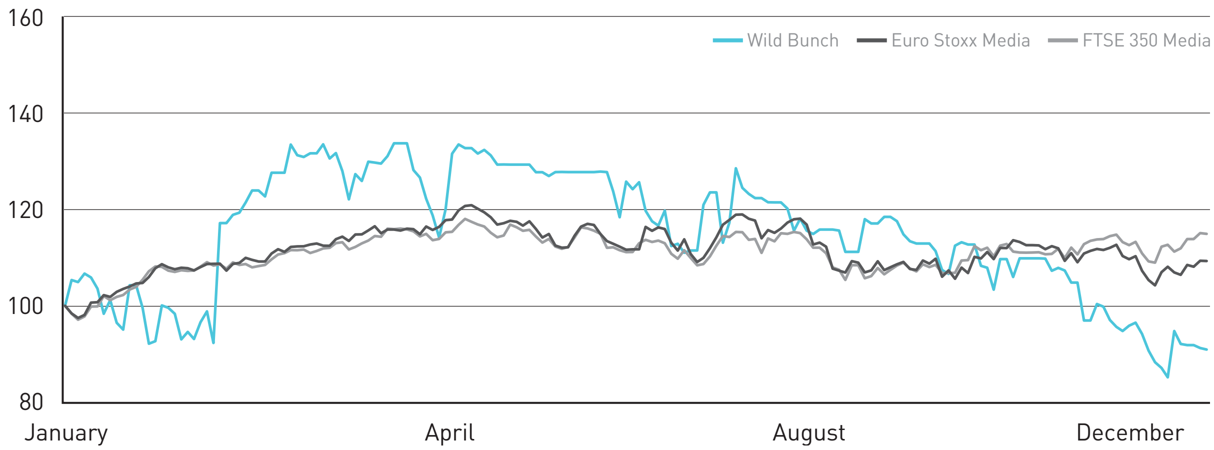
The shares of Wild Bunch AG (until 7 July 2015, Senator Entertainment AG) have been listed in the General Standard segment of the Frankfurt Stock Exchange since 25 February 2008. The share of Wild Bunch AG started fiscal year 2015 with a price of € 2.03 and increased in value overall in the first half-year of 2015 following the successful merger of Senator Entertainment AG with Wild Bunch S.A. The highest closing price was reached on 2 March 2015, with € 2.70. In view of a persistent downward trend in the second half-year of 2015, the share of Wild Bunch ultimately reached its lowest price of the year, € 1.55, on 17 December 2015. On 30 December 2015, the last day of trading of the reporting period, the share price was € 1.64, which corresponded to a market capitalization of € 124.2 million.

KEY DATA

German Securities Code	A13SXB
ISIN	DE000A13SXB0
Ticker symbol	WBAG
Trading segment	Regulated Market (General Standard)
Type of shares	No-par value ordinary bearer shares
Share capital (30 December 2015)	€ 75,721,571
Initial listing	25 February 2008
Market cap (30 December 2015)	€ 124,2 m

PERFORMANCE (1 JANUARY – 30 DECEMBER 2015)

in %



ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting 2015 of the former Senator Entertainment AG took place on 30 June 2015, in Berlin. Changing the name of the company to Wild Bunch AG was approved at the General meeting. Nevertheless, the name Senator will be retained as a brand in the field of film production. Furthermore, the shareholders' meeting authorized the Management Board to increase the share capital by up to € 37,165,007 for cash and/or non-cash contributions through the creation of authorized capital, and to conditionally increase the share capital by issuing up to 19,750,097 new no-par value bearer shares under exclusion of preemption rights. In addition, the General Meeting approved the nomination of three new members of the Supervisory Board: Hans Mahr, chairman at MahrMedia and former member of Premiere AG and RTL Group Management, Pierre Tattevin, partner at Lazard Frères, and Benjamin Waisbren, partner at the law firm Winston & Strawn and president of LSC Film, have now been added to the Supervisory Board of Wild Bunch AG.

CORPORATE ACTIONS

In the framework of its financial and strategic restructuring, Wild Bunch AG carried out a variety of corporate actions in fiscal year 2015.

CAPITAL INCREASE AND SUCCESSFUL MERGER OF WILD BUNCH AND SENATOR

In the course of the merger with Wild Bunch S.A. in February 2015, the former Senator Entertainment AG successfully completed a capital increase approved by the Extraordinary General Meeting on September 12, 2014 against contribution of all shares of Wild Bunch S.A. for a total of 55,872,788 new shares. On 5 February 2015, the capital increase was recorded in the commercial register. The new shares were listed for trade on 6 February 2015 which thus concluded the merger of Senator and Wild Bunch. Through the capital increase in the framework of the acquisition of all shares of Wild Bunch S.A., the share capital increased to € 74,330,015.

REFINANCING OF THE CURRENT BOND 2015

On 25 June 2015, Wild Bunch AG successfully completed the private placement of a bond with a total volume of € 15 million. Following the subscription by institutional investors for bonds with a term of 12 months in the total nominal amount of approximately € 11.8 million on 24 March 2015, Wild Bunch AG placed the remaining partial debentures in the total nominal amount of € 3.2 million. The proceeds are being used to secure liquidity, repay existing liabilities and finance business operations.

REPAYMENT OF 8 % BOND ISSUE 2011 / 2016

On 27 March 2015, Wild Bunch publicly announced the termination and repayment of all outstanding 8 % bonds 2011 / 2016 as of the interest payment date of 29 April 2015.

CASH CAPITAL STRENGTHENS FINANCING STRUCTURE

Following cash capital increases in the nominal amounts of € 1,391,556 on 17 December 2015, and € 5,372,464 on 8 January 2016, the company completed a third cash capital increase on 3 February 2016, in the nominal amount of € 668,980. The company thereby has made use of the authorization to increase share capital in exchange for cash with exclusion of preemption rights under the Authorized Capital 2015 / I. The proceeds from the cash capital increases are expected to strengthen the financing structure of the company and will be used to repay liabilities and continue implementation of the company's plans for growth. Following the successful completion of the last cash capital increase, the share capital totals € 81,763,015 as of 3 February 2016.

INVESTOR RELATIONS

Wild Bunch AG attaches great importance to an active dialog with investors, analysts, and financial journalists and has maintained a continuous exchange of information with its shareholders and stakeholders in fiscal year 2015. Above and beyond the listing in the General Standard segment of the Frankfurt Stock Exchange and the associated legal obligations, Wild Bunch AG endeavors to maintain a continuous dialog and exchange of information with the capital market.

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© La Petite Reine - David Koskas

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GENERAL INFORMATION ABOUT THE GROUP

MANAGEMENT REPORT FOR THE GROUP FOR FISCAL YEAR 2015

The presentation of the Group's business, its earnings, assets and financial position are based on the consolidated financial statements prepared on the basis of International Financial Reporting Standards (IFRSs), as applicable in the EU.

Totals and percentages are calculated on the basis of non-rounded euro amounts, and can differ from a calculation based on amounts reported in thousands or millions of euros.

The comments mainly relate to the Group as of the reporting date of 31 December 2015. In order to better classify the facts, current developments are also explained in detail at various points. All major changes within the Group after the balance sheet date are also contained in the Supplementary Report in the notes to the consolidated financial statements 2015.

All figures refer to the full year 2015. Due to the merger of Senator Entertainment AG with Wild Bunch S.A. as of 1 February 2015, the figures of the original Senator companies have been taken into consideration for a period of 11 months.

1. PRINCIPLES OF THE GROUP

The characteristics of the Group Senator Entertainment AG have changed in terms of their business activities, structure and composition that are presented in the consolidated financial statements and Group management report of Senator Entertainment AG (hereinafter referred to as "Senator," depending on the context also "Senator Group") for fiscal year 2014 on 30 April 2015, following the merger between Senator and Wild Bunch S.A., Paris (hereinafter referred to as Wild Bunch S.A.), compared to the Group Wild Bunch AG (hereinafter referred to as "Wild Bunch" or the "Group"). The new structure of the Group and the individual operating segments in which the Company operates are described on the following pages.

1.1 STRUCTURE OF THE GROUP AND ITS SEGMENTS

As decided by the Extraordinary General Meeting on 12 September 2014, Senator successfully executed a capital increase of 55,872,788 shares against the contribution of all shares in Wild Bunch S.A. The young shares were admitted to trading on 6 February, 2015, whereby the merger of Wild Bunch S.A. and Senator was successfully completed. In accordance with the resolution of the Annual General Meeting, Senator Entertainment AG was renamed Wild Bunch AG.

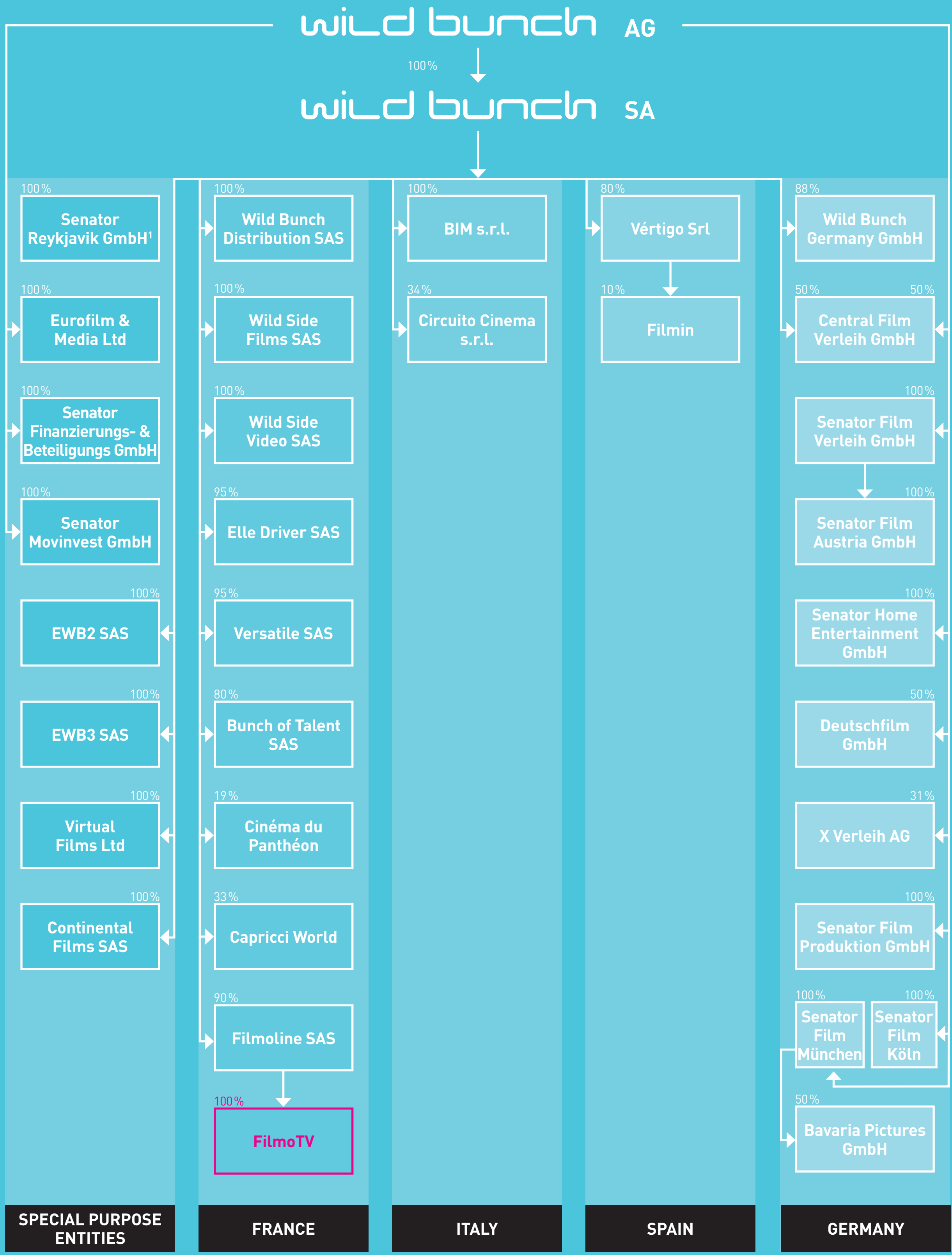
The name Senator continues to be a recognized brand in the production of feature films.

According to the International Financial Reporting Standards, the acquisition of Wild Bunch S.A. by Senator by way of a capital increase by issuing new Senator shares against contributions of the shares in Wild Bunch S.A. fulfill the criteria of a so-called "reverse acquisition" (reverse commercial acquisition), since the owners of Wild Bunch S.A. received the majority of the voting rights in the merged entity and Wild Bunch S.A. was significantly larger than Senator in terms of company value, assets, revenue and earnings. As a result, the merger of Senator and Wild Bunch S.A. is to be presented for accounting purposes such that Wild Bunch S.A. (the legally acquired company) is the economic acquirer of Senator (the legally acquiring company). The corresponding presentation has an effect on the previous year's figures as well as the distribution of the purchase price on the acquired assets and liabilities.

Following the successful merger, the business in the German-speaking market was also reorganized. All operating activities have been taken over by Wild Bunch Germany GmbH since May 2015.

Wild Bunch operates in the two segments "International Distribution, Rental and Film Productions" and "Others." As an umbrella company, Wild Bunch fulfills a holding function and is responsible for management, financing, corporate law, communication and information technology (IT).

The organizational chart shows the new structure of the Group as of 31 December 2015:



[1] Senator Reykjavik GmbH is a 100 %-subsidiary of Senator Film Produktion GmbH

1.2 BUSINESS MODEL

Through the successful merger of Senator and Wild Bunch S.A., the company has developed into a leading pan-European film distribution and production services company with a correspondingly modified business model in fiscal year 2015 as part of its financial and strategic restructuring.

Today, Wild Bunch is a major independent pan-European film distribution and production services company active in direct distribution in France, Italy, Germany, Spain and Austria, international distribution, co-productions and the direct distribution of films and TV series. The Group's activities cover the entire value-added chain of sales, from international sales to theatrical and digital distribution (TV, home entertainment, VOD/SVOD). Characterized by its diverse editorial policy, the company offers a constantly renewed and always innovative slate of films from all over the world by investing in European local movies and in US and international independent movies. Thanks to its international sales activities through the distribution labels Wild Bunch S.A., Elle Driver and Versatile, the Company is able to offer international cinema content to distributors and broadcasters worldwide. Wild Bunch appears to be different, merging the indispensable classical know-how of dealing with talents and generating valuable content with a radically new approach to the market and to the means and ways of maximizing the commercial value of such content.

The company has developed a pan-European distribution network and is currently operating as a direct distribution company in 5 countries: in France with Wild Bunch Distribution SAS and Wild Side Video 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 SL (hereinafter referred to as "Vértigo") and in Austria with Wild Bunch Austria GmbH.

As part of its corporate strategy, Wild Bunch is driving its geographical and thematic expansion further ahead – particularly by founding the label Wild Bunch TV in September 2015 to promote the coproduction, financing and international distribution of TV series.

Wild Bunch currently has a total library of over 2,200 films and TV series from different genres and distributes up to an additional 100 new independent films per year. The size and quality of its movie library make Wild Bunch an important partner for buyers worldwide, from TV channels to digital platforms.

Wild Bunch continued to establish new electronic distribution channels in the past fiscal year. The Company has positioned itself in the electronic direct sales market with its French VOD/SVOD platform FilmoTV.

Furthermore, Wild Bunch decided to launch the first e-Cinema activities in Europe by offering an alternative distribution means to « event movies » with the objective of enlarging their audience and their economic viability.

Conscious of the growth of VOD contribution throughout the world and of the lack of screen availability in theaters, Wild Bunch proposes these movies, either directly to the different VOD services, or, when allowed by law, simultaneously in VOD and on a limited number of screens.

Besides the further penetration of existing markets, the development of new market segments and innovative solutions for production, sales and distribution, as well as geographical expansion, are thus an essential part of the company's strategy.

1.3 PERSONNEL CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARDS

After the merger, important changes were made at the level of the Supervisory Board and the Management Board.

The Chairman of the Supervisory Board, Dr. Andreas Pres resigned from office on 15 June 2015. He had headed Senator's Supervisory Board since August 2011. Mr. Wolf-Dieter Gramatke, who has been a member of the Supervisory Board since April 2006 and Vice-Chairman since July 2007, took over the chairmanship of the Supervisory Board.

Norbert Kopp's term of office ended when the Annual General Meeting was held on 30 June 2015. The Supervisory Board proposed to the Annual General Meeting on 30 June 2015 the appointment of three new Supervisory Board members:

- Hans Mahr, Chairman of MahrMedia, Cologne, and former member of the Management Board of Premiere AG and RTL Group Management
- Pierre Tattevin, Partner at the investment bank Lazard Frères, Paris
- Benjamin Waisbren, Partner at the law firm Winston & Strawn, Chicago, and President of LSC Film.

All three new members were elected by the Annual General Meeting. The Supervisory Board has a total of six members, in addition to the above mentioned, Prof. Dr. Dr. Katja Nettesheim and Mr. Tarek Malak.

Three of the founders/directors of Wild Bunch S.A. were appointed members of the Management Board from 5 February 2015 on:

- Mr. Vincent Grimond as CEO (Chief Executive Officer)
- Herr Brahim Chioua als COO (Chief Operating Officer)
- Mr. Vincent Maraval as CCO (Chief Content Officer)

Mr. Max Sturm remained on the Management Board as CFO (Chief Financial Officer).

1.4 EMPLOYEES

The Group employed an average of 177 employees in fiscal year 2015 (previous year: Wild Bunch S.A.: 136).

1.5 RESEARCH AND DEVELOPMENT

Wild Bunch AG does not engage in research and development activities in the strict sense. Accordingly, there is no expenditure attributable to research and development.

1.6 CONTROL SYSTEM

We have aligned our internal control system along our corporate strategy and defined suitable control variables. An important module of our internal control and control system is the regular recording and updating of data by the controlling department as well as reporting to the Management Board and the Supervisory Board. The subject of the analyses and reporting shall be, in particular, the information contained in the performance indicators presented in 2.2. These analyses are based in particular on the accounting-related internal control and risk management system (see section 6), in particular detailed risk assessment and risk monitoring during the purchase and exploitation of films. In the fiscal year, harmonization of the accounting processes within the Group was started. This is to be completed in 2017.

BUSINESS REPORT

2.1 MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

2.1.1 BUSINESS ENVIRONMENT

The operating activities of Wild Bunch Group focus largely on France, Germany/Austria, Italy and Spain. Therefore, the economic trends in these regions are important to the Group. The Group is also active on the international markets through its international sales activities or through its movie purchases in foreign markets, such as the US.

In 2015, the expansion of the global economy has slowed and, according to the Institute for the World Economy Kiel (IfW), will have little momentum in the coming two years. According to the EUROFRAME group, which is composed of ten of the most important economic research institutes in Europe, the lack of momentum in the global economy will also dampen the growth rates in the euro area. The experts expect the gross domestic product (GDP) to rise by 1.8% in 2016 and 2017 respectively. The highly stimulating monetary policy, the weak euro, the lack of fiscal constraints for fiscal consolidation and the low oil price should provide positive impulses.

Following the terrorist attacks in Paris, the French economy lost some momentum at the end of 2015 and according to data from the Insee Statistical Office from October to December 2015 only grew by 0.2% compared to the previous quarter. The IfW expects growth of 1.2% for 2016 and the French economy is expected to grow by 1.4% in 2017.

On the other hand, the German economy is recovering again, according to the IfW, and will post a markedly increased expansion rate in the coming quarters. After an increase in GDP of 1.8% in the last fiscal year, the experts expect the gross domestic product to grow by 2.2% in 2016 and 2.3% in 2017. The high level of refugee migration is causing employment to continue to rise and lower oil prices are leading to an increase in purchasing power, according to the IfW forecast. The Consumer Climate Index, which is determined by the Gesellschaft für Konsumforschung (GfK), declined slightly in 2015, reaching a solid level of 9.3 points in December 2015. Despite this slight slowdown, private consumption in Germany remains a key pillar of economic development.

In the final quarter of 2015, the Italian economy grew by 0.1% compared to the previous quarter, according to the Istat statistics office. The IfW forecasts growth of 1.4% in 2016 and an increase of 1.7% in 2017.

Spain continued its growth path in the fourth quarter of 2015 and grew by 0.8%, according to the INE statistics office, and thus by 3.2% in 2015 as a whole. The Kiel-based economists expect growth of 2.6% for the years 2016 and 2017 respectively.

The value of the US dollar rose significantly against the euro in 2015. While the exchange rate in January 2015 was still at € 1.22/US $, the euro lost value against the US dollar over the course of the year. At the end of December, the exchange rate stood at € 1.09/US $. The European Central Bank (ECB) left its main interest rate unchanged in the euro area in 2015 and held it at an all-time low of 0.05%. In March 2016, the ECB finally lowered the benchmark interest rate to zero. With the record low interest rate, the ECB intends to promote further economic recovery in the euro zone. After the ECB had reduced the deposit rate to minus 0.3%, the deposit rate was reduced to minus 0.4% in March 2016 in order to stimulate banks' lending. The Fed once again raised the key interest rate by 0.25 points for the first time after nearly ten years, following the recovery in the US economy. At the end of the year, it was between 0.25 and 0.5%. Wild Bunch is also dependent on the development of interest rates.

2.1.2 SECTOR-SPECIFIC ENVIRONMENT

Wild Bunch was founded out of the deep conviction that the film and entertainment industry is undergoing major changes. Cinematic entertainment would never be developed, produced, financed, marketed, or distributed as it was in the past. For this reason, a publishing and distribution company cannot exist in the 21st century with the same traditional organizational structures.

The current market development confirms this company vision:

- SVOD (Subscription-Video-On-Demand) is the fastest growing market segment
- In countries protected by copyright infringement, VOD (Video-On-Demand) is successively replacing the DVD
- So-called "day-and-date" releases are becoming increasingly profitable

2.1.2.1 CINEMA

US blockbusters and successful national productions caused a noticeable revival of the box offices in 2015. According to estimates by the European Audiovisual Observatory, the number of cinema visitors in the European Union rose by 7.6% in 2015 to 980 million visitors. Of the 25 EU countries surveyed, the number of visitors to the cinema only decreased slightly in France. Germany, Italy and Spain as other core markets of Wild Bunch recorded a significant increase in visitor numbers. At the same time, according to the GfK, a slow shift of the cinema market towards older spectator groups can be observed.

FRANCE

According to the Center National du Cinéma et de l'Image Animée, Paris, 206.6 million ticket sales were registered in 2015, about 1.4% less than in the previous year (2014: 209.0 million). However, the audience's resonance was above the ten-year average of 199.6 million tickets. Last year, productions from the USA were able to record the greatest response in theatres. Blockbusters like MINIONS, JURASSICWORLD, FAST & FURIOUS 7 or FIFTY SHADES OF GRAY attracted viewers to the cinemas, therefore, in the reporting period, the share of US productions in the French market grew to 54.5% (2014: 45.4%). French films accounted for 35.2% of the tickets sold in 2015 compared to 44.4% in the previous year. Among the 263 French films released, LA FAMILLE BÉLIER, THE NEW ADVENTURES OF ALADDIN, SERIAL TEACHERS 2 and BABYSITTING 2 were the main favorites. Films from other countries achieved a market share of 10.3% with 21.3 million tickets sold. After revenues from the box offices of € 1.3 billion in 2014, Rentrak says that € 1.4 billion in bookings were posted by the French box offices in 2015.

GERMANY

2015 turned out to be a record year for the cinema in Germany. With 139 million visitors (previous year: 122 million), the cinemas had not seen as many visitors in six years, although on average an average of € 8.39 had to be paid for a ticket. In the year as a whole, revenues rose by 13.5 % to € 1.1 billion (2014: € 962 million). The most popular film in 2015 was the continuation of the comedy "Fack ju Göthe" with 7.7 million viewers. At the same time, the growing interest in German productions was confirmed with a market share of 37.1 % by the end of December 2015 (previous year: 32.1 %). US blockbusters were also able to increase their market share, while independent films found their way to cinema films far more difficult. Nearly 600 new feature films were launched in German cinemas last year.

ITALY

The development of the cinema in Italy was stable in 2015 with around 100 million tickets sold per year. While 388 films had been released in 2011, the number of cinema films in 2015 grew to 588 films. At the same time, sales per film are declining. According to Rentrak, revenues from Italian box offices amounted to € 662 million compared to € 669 million in the previous year. The first 10 films accounted for a market share of 28 %, while the first 30 films together recorded a market share of 49 %. According to The Hollywood Reporter, the movie INSIDE OUT, with revenue of US $ 27.7 million, topped the list for viewers in 2015, followed by MINIONS and FIFTY SHADES OF GRAY. With SI ACCETTANO MIRACOLI, only one Italian production came under the top 10.

SPAIN

In 2015, the positive trend continued, which had already been evident in the previous year. In particular, Hollywood blockbusters like JURASSIC WORLD or INSIDE OUT, some Spanish productions with strong performance and especially the continuation of A SPANISH AFFAIR increased the number of viewers and increased sales by 8.6 % to € 575.5 million at Spanish box offices (2014: € 518 million). Accordingly, sales were below the record high of € 691.6 million in 2004, but after the weak years of 2012 and 2013, it was able to confirm the upward trend of the previous year. After the number of visitors had declined steadily for four years, the number of tickets sold increased for the second year in succession, which rose by 7.1 % to 94 million tickets. Every fifth ticket was sold for a Spanish film. In the previous year, the movie SPANISH AFFAIR, with revenues of more than € 44.5 million, had broken all box office records in Spain, making it the most successful Spanish film of all time.

2.1.2.2 ELECTRONIC DISTRIBUTION AND HOME ENTERTAINMENT

Overall, there is a tendency for the demand for physical video to decrease, while VoD services are increasingly contributing to total revenues in the video market. In many markets, the growing selection of SVOD offers promotes the use of video over the Internet and mobile devices. In Germany alone, according to data from the Federal Association Bitkom, 22 % or twelve million Internet users aged 14 or over are watching shows or movies via VoD services. The established VOD platforms represent an important target audience for Wild Bunch's distribution.

Netflix is one of the fastest growing streaming services. Founded in 1997 as a mail-order online video library, the company invests $ 3 billion annually in third-party content, such as international distribution companies or producers. For 2016, a budget of $ 5 billion for the purchase of contents was announced. The fast-growing company is now active in 190 countries around the world and thus also represented in the European core markets of Wild Bunch. In the fourth quarter of 2015, Netflix gained some 5.6 million additional users. At the end of the year, the streaming service had around 75 million subscribers worldwide.

A main competitor of Netflix is Amazon with its streaming service Amazon Prime Instant Video, which is available in the United Kingdom and Germany, among other places. By registering for Amazon Prime access, videos can be viewed either by paying an annual fee or a pay-per-view fee.

FRANCE

The video market is changing faster in France than in other European markets. 79 % of households with TV use VoD. France is therefore the leader in this field in Europe. In 2015, revenues from DVD and Blu-ray amounted to € 680 million, a decrease of 14.6 % compared to the previous year (2014: € 796 million). DVD revenues fell 16 % to € 514 million, while Blu-ray revenues decreased 12 % to € 166 million. On the other hand, digital video offers recorded a significant increase in sales of 17 % to € 323 million (2014: € 274 million).

The SVOD segment offers further growth potential. According to a study by Ernst & Young, potential revenues between 45 and 75 million are possible in the VOD segment by 2020. According to a study by Mediametrie, 12 % of all French households use at least one SVOD service. In addition to the leading supplier Canalplay, Netflix has also been active in the French market since 2014 and has announced an initial French production with its eight-part MARSEILLE series.

GERMANY

In 2015, according to GfK Panel Services Deutschland, the German video industry showed a stable development and, with sales of € 1,608 million, was only 2% below the previous year's figure (2014: € 1,642 million).

While DVD revenues fell by 8% from € 899 million to € 829 million, Blu-ray revenues increased by 3.2% from € 405 million to € 418 million in 2015. The German market in 2015 was characterized by a surge in sales at SVOD, where five million subscribers were registered. Electronic distribution accounted for 12% of total market turnover. In Germany, 76% of Internet users use streaming. Thanks to ever-faster broadband connections, every fourth Internet user now downloads videos to watch shows and movies.

Netflix, Amazon and Maxdome dominate the market in Germany. Netflix announced the first German production for 2017 with the series DARK. Overall, the market for electronic distribution and home entertainment in Germany remains one of the largest in terms of sales in Europe.

ITALY

Total revenues from the Italian video market in 2015 amounted to € 368 million, compared to € 350 million the previous year, according to the Univideo 2016 Report. The digital video market (VOD/EST) confirmed the growth trend in 2015 with sales revenues of around € 36 million (2014: € 25 million). The Netflix streaming service began operating in Italy in October 2015.

SPAIN

In Spain, electronic distribution clearly gained momentum in 2015. This is primarily due to the launch of Netflix (SVOD) and MovieStarTV (VOD/SVOD). According to the GfK, the Spanish video market (DVD and Blu-ray) fell by 10.8% compared to € 94.6 million the previous year, with sales of € 82.8 million.

2.1.2.3 TV

The European pay-TV market is facing increased competition from SVOD services. Nevertheless, pay-TV providers remain relevant market participants and key customers of Wild Bunch.

According to the "Digital TV Western Europe Forecasts" report, the market penetration of pay-TV services is expected to grow from 56.7% at the end of 2014 to 60.4% in 2020, and the number of subscribers will increase by 2.57 million to 99.0 million in the next five years.

FRANCE

A similar development can be observed in the French market for pay television. According to the "Conseil Supérieur de l'Audiovisuel" (CSA), an estimated 18.3 million households subscribed to pay-TV in 2014. This corresponds to a share of 68% of all television users. Around 140 pay-TV channels are currently available in France. The Canal Plus Group, which currently has around 14.7 million subscribers worldwide, is the leading provider of pay-TV services in this market.

The attractiveness of the TV market also has a positive effect on sales through television advertising. According to France Pub, the advertising revenues in the French TV market increased by 4% to € 3.85 billion. TV series and feature films remain the most popular programs for established television channels. The top 100 of the most watched programs included ten films and 58 TV series in 2015. Through Digital Terrestrial TV, the distribution of feature films also increased significantly in 2015 (14 films among the Top 25).

GERMANY

In Germany, the distribution of pay-TV with around 90 pay-TV channels and approximately seven million subscribers continues. According to information from the Association of Private Broadcasting and Telemedia (VPRT) in Germany, around € 2.2 billion was invested in this market in 2014 and over € 1 billion was invested in the development of program contents. In the entertainment genre, about 40 pay-TV programs are currently available. VPRT estimates sales growth in 2015 to be 7% and the rate of penetration in pay-TV at 20%. In addition, free-TV and pay-TV providers will benefit from the continued growth in TV and video advertising, with revenues totaling € 4.3 billion. As a result, Germany is the second-strongest TV market behind the United States.

ITALY

In Italy, traditional TV channels have lost viewers. At prime time, fewer films are being shown on free TV than in previous years. Sky's pay program is present on free TV in Italy and has also increased its pay-TV activities by acquiring additional TV stations.

Furthermore, a new law has been passed, according to which the fees for public television will be automatically integrated into the electricity bill in the future in order to counter the widespread disregard for the payment of TV fees. It is expected that this measure will contribute to an increase in the program budget of public TV broadcasters, in particular for RAI.

SPAIN

According to the study "Televisivo 2015" by BarloVento Communicacíon, the internationally oriented Spanish TV market is showing a dynamic sales development. The TV market is dominated by the two media groups Antena 3 Media and Mediaset, which together account for 86% of the advertising revenues. Total spending on advertising rose for the second year in a row. Telecinco recorded an increase in the number of viewers and sales via pay-TV grew strongly, while TNT received new TV licenses. With nine series and only two feature films among the top 50 of the most popular programs, Spain is a particularly attractive market for TV series.

2.1.2.4 OTHERS

The global market for cinematic entertainment is very dynamic. Significant changes in the media landscape can be observed, in particular through a few notable developments in the largest media market USA and the rise of the strong newcomer China.

In the United States, a new fully integrated television and film studio named STX Entertainment was founded, which can rely on a strong financial foundation and develop into a key player in independent production and distribution. Meanwhile, the leading digital providers are expanding their market expansion to the media content area. For example, Amazon offers the SVOD service Amazon Video worldwide, invests in content and maintains in-house production for this purpose. The trend towards company concentration continues. Miramax was acquired by beIN. AMC Theatres acquired Carmike Cinemas. Lionsgate and Starz are in takeover talks. Lionsgate & New Regency have launched a TV venture and Cablevision is being taken over by Altice.

According to current estimates, China will replace the US as the largest film market in the world within the next three years. In 2015, the Chinese box offices took in about US $ 6.3 billion, which corresponds to annual growth of 48 %. China is now seen as an important partner in the film business and is an international investor: Wanda has acquired a majority interest in Legendary and is now the world's leading provider in the Cinema market due to the acquisition of Carmike by AMC. The growing importance of the Chinese market implies that established companies can no longer design a strategy without taking the Chinese market participants into account.

2.1.3 REGULATORY ENVIRONMENT

Violations of copyright infringement are a serious threat to the economic and cultural development of the entertainment sector. As a result, more and more piracy measures are being adopted worldwide, with Europe centering on the activities and making progress in the fight against online piracy. The year 2015 was characterized by far-reaching judicial decisions and government initiatives to reduce piracy:

- In March 2015, Fleur Pellerin, the then French Minister of Culture, announced an action plan aimed at reinforcing the fight against illegal streaming and illegal downloading of films that focuses on both Internet users and pirate websites. At the same time, Hadopi, the anti-piracy agency responsible, will continue to pursue its strategy of having the education system remind Internet users of their legal responsibilities.

- In Germany, GEMA filed a revision with the Federal Supreme Court against Deutsche Telekom in order to oblige it to block websites with infringing content, irrespective of the fact that Deutsche Telekom is not the host, but only provides access. In November 2015, the Federal Court of Justice decided, with reference to the European Court of Justice and EU directives, that the blocking of websites as a last resort must be possible if a direct action against infringers cannot be enforced. According to this, Internet providers can now be obliged to block networks under strict conditions.
- Also in July 2015, the Spanish government reported a success in the fight against Internet piracy. Since 2012, Spain has implemented a number of changes and adaptations of Spanish copyright law. On 1 January 2015, the fight against piracy entered into force with a new, stringent law. The law provides for piracy websites to be shut down as quickly as possible.
- In July 2015, the UK government announced that it was discussing plans to increase the maximum penalty for commercial online copyright infringements from two to ten years' imprisonment. In addition, the UK government launched the „Creative Content UK" program, which aims to warn and educate copyright infringers. The government hopes that piracy can gradually be reduced through this measure.
- In September 2015, the EU Commission launched a public consultation on geoblocking, which, according to its understanding, undermines online shopping and EU-wide cross-border trade. The EU Internal Market Strategy includes an initiative to prevent unjustified geoblocking by changing the legal framework for e-commerce and amending the Services Directive. In the first half year of 2017, the EU Commission presented legislative proposals to end unauthorized geoblocking.
- In December 2015, five members of a piracy group from the underground were sentenced to two to more than four years in prison in the United States, as they had tried to publish new blockbusters on the Internet. This is the first case in which "publisher groups" have been prosecuted as a result of the Federation Against Copyright Theft.
- In the course of 2015, the pirate website Popcorn Time in Great Britain, Canada and New Zealand was successfully shut down by the MPAA thanks to judicial orders.

2.2 FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

FINANCIAL PERFORMANCE INDICATORS

The primary goal of Wild Bunch is to sustainably increase the Company's value. Sales, gross profit and operating profit (EBIT) are the main control variables within the Group.

Key figures in € thousand	**2015 Wild Bunch AG**	2014 Wild Bunch S.A.	2014 Senator Entertainment AG
Sales	117,513	130,376	20,395
Gross profit*	16,615	9,939	–5,224
EBITDA	50,982	56,157	–1,054
Operating result (EBIT)	–3,366	–5,313	–12,589

* Revenue plus other film-related income less production costs of the services rendered to generate sales

NON-FINANCIAL PERFORMANCE INDICATORS

In addition to the financial control variables, non-financial performance indicators and/or success factors are of central importance for the Company's performance. These result from the specific requirements of the respective business model.

NUMBER OF VISITORS

The box office business generated by a film is an important success factor in the segment "International Distribution and Rental as well as Film Production," since cinema success generally affects the subsequent exploitation stages. Despite intensive prior market observation, the taste of the audience can only be estimated to a certain extent. In addition, the movies released by the Group always compete with the films of other distributors, therefore a marketing campaign tailored to the respective film is not always reflected in the expected number of visitors.

ACCESS TO RIGHTS

The Group is exposed to strong competition when it wants to acquire rights to literary works and scripts, or to conclude contracts with successful directors, actors and film studios. For this reason, the Group maintains close cooperation with scriptwriters, directors and producers in Europe, who have proven expertise in the production of cinema films and TV formats.

EXPERTISE AND CONTACT NETWORK

Not only in terms of the increasingly digital and convergent media usage behavior and the transformation to the use of cross-platform offerings are the technical as well as content-related competence crucial. In addition, the recruitment, promotion and retention of well-trained, specialized, committed and creative employees is of importance. Just as decisive for the success of the Group is a broad and established network of contacts as well as a trusting cooperation with business partners.

2.3 BUSINESS DEVELOPMENT

Wild Bunch's International Distribution, Rental and Film Productions segment covers the entire distribution chain for movies and includes, in particular, film exploitation income from the areas of cinema, world distribution and home entertainment.

2.3.1 THEATRICAL DISTRIBUTION

In fiscal year 2015, a total of 80 films were produced by the Group in France, Germany, Italy and Spain.

Title	Director	Origin	Sales company	Film start
Cold in July	Jim Mickle	USA, France	BIM	31/12/2014
Une heure de tranquillité	Patrice Leconte	France	Wild Bunch Distribution	31/12/2014
La Rançon de la Gloire	Xavier Beauvois	France	Mars Distribution	07/01/2015
The Best of Me	Michel Hoffman	USA	Senator Film Verleih	08/01/2015
Bros before Hos	Steffen Haars, Flip Van der Kuil	Holland	Le Pacte - The jokers	15/01/2015
Doktor Proktors Pupspulver	Aril Fröhlich	Norway, Germany	Vértigo	15/01/2015
Discount	Louis-Julien Petit	France	BIM	21/01/2015
3 Türken & Ein Baby	Sinan Akkus	Germany	Wild Bunch Germany	22/01/2015
71	Yann Demange	United Kingdom	Wild Bunch Germany	23/01/2015
Mr Turner	Mike Leigh	United Kingdom	Vértigo	29/01/2015
Foxcatcher	Bennet Miller	USA	Wild Bunch Distribution	06/02/2015
La Ritournelle	Marc Fitoussi	France	BIM	12/02/2015
Phoenix	Christian Petzold	Germany	Le Pacte - The jokers	19/02/2015
Les chevaliers du Zodiaque	Keiichi Sato	Japan	Wild Bunch Distribution	25/02/2015
Wolf Totem	Jean-Jacques Annaud	France, China	Le Pacte - The jokers	25/02/2015
Samba	Eric Toledano, Olivier Nakache	France	BIM	26/02/2015
Snow In Paradise	Andrew Hulme	United Kingdom	Senator Film Verleih	04/03/2015
Maps to the Stars	David Cronenberg	Canada, USA, France, Germany	Vértigo	06/03/2015
Foxcatcher	Bennet Miller	USA	Senator Film Verleih	12/03/2015
Leviathan	Andrey Zviaguintsev	Russia	BIM	12/03/2015
3 Cœurs	Benoit Jacquot	France	BIM	19/03/2015
A Most Violent Year	J.C. Chandor	USA	Vértigo	19/03/2015

Title	Director	Origin	Sales company	Film start
A trois on y va	Jérôme Bonnell	France	Bac Films - Le Pacte - The jokers	25/03/2015
La famille Belier	Eric Lartigau	France	Wild Bunch Germany	26/03/2015
Haemoo	Sung Bo Shim	Soutk Korea	Wild Bunch Distribution	01/04/2015
Les enquêtes du département V: Profanation	Mikel Norgaard	Denmark	Wild Bunch Germany	08/04/2015
Lost River	Ryan Gosling	USA	Le Pacte - The jokers	08/04/2015
The Cut	Fatih Akin	Germany, France	Wild Bunch Distribution	09/04/2015
The F-Word	Michael Dowse	Ireland, Canada	BIM	09/04/2015
Wolf Totem	Jean-Jacques Annaud	France, China	Wild Bunch Germany	10/04/2015
Dessau Dancers	Jan Martin Scharf	Germany	Bac Films - Le Pacte - The jokers	16/04/2015
Les vacances du Petit Nicolas	Laurent Tirard	France	BIM	16/04/2015
I bambini sanno	Walter Veltroni	Italy	Vértigo	23/04/2015
La famille Belier	Eric Lartigau	France	Vértigo	24/04/2015
Hyena	Gerard Johnson	United Kingdom	Wild Bunch Distribution	06/05/2015
Babadook	Jennifer Kent	Australia, Canada	Vértigo	07/05/2015
La tête haute	Emmanuelle Bercot	France	Wild Bunch Germany	13/05/2015
Tracers	Daniel Benmayor	USA	Wild Bunch Germany	28/05/2015
Manglehorn	David Gordon Green	USA	Vértigo	03/06/2015
Qui c´est les plus forts	Charlotte de Turkheim	France	Wild Bunch Distribution	03/06/2015
The Second Mother	Anna Muylaert	Brazil	Wild Bunch Distribution	04/06/2015
Victoria	Sebastian Schipper	Germany	Wild Bunch Germany	11/06/2015
Duke Of Burgundy	Peter Strickland	United Kingdom	Wild Bunch Germany	17/06/2015
Kill the Messenger	Michael Cuesta	USA	Vértigo	18/06/2015
Une heure de tranquillité	Patrice Leconte	France	Wild Bunch Germany	26/06/2015
Les enquêtes du département V: Profanation	Mikel Norgaard	Denmark	Vértigo	03/07/2015
Love	Gaspar Noé	France	BIM	15/07/2015
Amy	Asif Kapadia	USA	Wild Bunch Distribution	17/07/2015
Becks letzter Sommer	Frieder Wittich	Germany	BIM	23/07/2015

Title	Director	Origin	Sales company	Film start
Ooops - Noah is Gone	Toby Genkel, Sean McCormack	Germany, Belgium, Luxembourg, Ireland	Vértigo	30/07/2015
Les 3 frères le retour	Didier Bourdon	France	BIM	31/07/2015
La dame dans l'Auto	Joann Sfar	France	Wild Bunch Distribution	05/08/2015
Sinister 2	Ciaran Foy	USA	BIM	19/08/2015
She's Funny That Way	Peter Bogdanovich	USA	Mars Distribution	20/08/2015
Sous les jupes des filles	Audrey Dana	France	Wild Bunch Germany	03/09/2015
While We're Young	Noah Baumbach	USA	Wild Bunch Distribution	04/09/2015
Sinister 2	Ciaran Foy	USA	Vértigo	17/09/2015
La tête haute	Emmanuelle Bercot	France	BIM	18/09/2015
La prima luce	Vincenzo Marra	Italy	Wild Bunch Distribution	24/09/2015
Enragés	Eric Hannezo	France	Vértigo	30/09/2015
Life	Anton Corbijn	USA	BIM	08/10/2015
Le tout nouveau testament	Jaco Van Dormael	France, Belgium	Wild Bunch Germany	16/10/2015
Ingrid Bergman Dokumentation	Stig Björkman	Sweden	BIM	19/10/2015
Chronic	Michel Franco	Mexico	Wild Bunch Distribution	21/10/2015
Dheepan	Jacques Audiard	France	Wild Bunch Germany	22/10/2015
Lolo	Julie Delpy	France	Wild Bunch Germany	28/10/2015
Wolf Totem	Jean-Jacques Annaud	France, China	Vértigo	29/10/2015
La dernière leçon	Pascale Pouzadoux	France	Wild Bunch Distribution	04/11/2015
Dheepan	Jacques Audiard	France	Vértigo	06/11/2015
Rams	Grímur Hákonarson	Iceland	BIM	12/11/2015
El Club	Pablo Larrain	Chile	Wild Bunch Distribution	18/11/2015
Life	Anton Corbijn	USA	Vértigo	20/11/2015
La Felicita	Gianni Zanasi	Italy	BIM	26/11/2015
Youth	Paolo Sorrentino	United Kingdom, Italy, Switzerland	Wild Bunch Germany	26/11/2015
Orson Welles Dokumentation	Clara Kuperberg, Julia Kuperberg	France	BIM	30/11/2015
Marguerite et Julien	Valérie Donzelli	France	Wild Bunch Distribution	02/12/2015

Title	Director	Origin	Sales company	Film start
Adam Jones	John Wells	USA	Wild Bunch Germany	03/12/2015
Le grand jour	Pascal Plisson	France	Wild Bunch Germany	10/12/2015
Papa ou Maman	Martin Bourboulon	France	Vértigo	11/12/2015
Le grand partage	Alexandra Leclère	France	Wild Bunch Distribution	23/12/2015

The Group has launched 26 movies in theatres in France. One of the most successful films in 2015 was UNE HEURE DE TRANQUILLITÉ, which reached more than one million visitors. Another success was LA TETE HAUTE, the opening film of the film festival in Cannes, as well as the US horror film SINISTER 2 or the comedy LE GRAND PARTAGE attracted great interest from the cinema audience.

With popular films like VICTORIA, SAMBA, THREE TURKS or the horror film SINISTER 2, a total of 22 films were released by Wild Bunch Germany. On 11 June 2015, VICTORIA started in German cinemas and attracted a lot of attention from film critics and cinema audiences. BIM in Italy and Vértigo in Spain acquired the rights to the French film hit LA FAMILLE BELIER. The film became the best cinema film for both subsidiaries. In Italy, a total of 16 films have been launched, among them popular films such as MR TURNER or LA FAMILLE BELIER or the Italian productions LA PRIMA LUCE and FELICITA. In addition, a total of 16 films have been launched in Spain. The French comedy LA FAMILLE BELIER or the documentary AMY, which won an Academy Award, were among the most successful film releases by Vértigo in Spain.

Besides a number of successful film releases, the year 2015 was also characterized by some disappointing launches in the individual markets. The French comedy QUI C´EST LES PLUS FORTS remained well below expectations, which had a significant impact on the financial performance of Wild Bunch S.A. To a lesser extent, the action thriller TRACERS in Germany, FOXCATCHER in Italy or WHILE WE WERE YOUNG in Spain failed to meet expectations.

Furthermore, the tragic events of Paris in November 2015 markedly influenced the performance of the films published in this period, such as LOLO and LA DERNIERE LECON. The French drama MARGUERITE ET JULIEN was not very popular with the audience, although it was represented in the competition of the Cannes Film Festival - a phenomenon which can be clearly explained by the date of publication.

2.3.2 INTERNATIONAL SALES

Within the scope of its international sales activities, Wild Bunch delivered 39 films for worldwide distribution in fiscal year 2015, including prestigious films such as Benoît Jacquot´s DIARY OF A CHAMBER MAID, DHEEPAN by Jacques LAURSE, Laureate at the Cannes Film Festival with a Golden Palm, LA TETE HAUTE by Emmanuelle Bercot, LOVE by Gaspar Noé, OUR LITTLE SISTER by Hirokazu Koreeda, the multiple award winner THE ASSASSIN by Hou Hsia Hsien or THE LITTLE PRINCE by Mark Osborne.

NUMEROUS AWARDS AT FILM FESTIVALS

In the course of 2015, Wild Bunch was represented on important film markets and in this course was able to receive a number of coveted awards:

At the Cannes Film Festival, Wild Bunch received four prizes in addition to the opening film LA TETE HAUTE and the final film THE ICE AND THE SKY. In addition, Jacques Audiard won the coveted Golden Palm for his film DHEEPAN. Rooney Mara was awarded Best Actress Ex-aequo in CAROL (distribution by Vértigo) by director Todd Haynes. In addition, Hou Hsiao-Hsien received the award for the Best Director for THE ASSASSIN (distribution by Wild Bunch International Sales) and Michel Francodie the award for Best Screenplay for CHRONIC (Distribution by Wild Bunch International Sales – Wild Bunch Distribution SAS).

At the San Sebastian Film Festival, Wild Bunch received the audience prize for OUR LITTLE SISTER by Kore-Eda Hirokazu and the special prize of the jury as well as the prize for best camera for Lucio Hadzihalilovic's EVOLUTION.

The German film phenomenon VICTORIA by Sebastian Schipper, co-produced by deutschfilm GmbH (in the following „deutschfilm"), a subsidiary of Wild Bunch, and distributed by Wild Bunch Germany, won six Lolas at the German Film Prize: a golden Lola for Best Film, Best Director, Best Actress with Laia Costa, Best Actor with Frederick Lau, Best Camera/Best Cut and Best Music.

The film 99 HOMES by Ramin Bahrani won the Deauville Grand Prize in 2015. This film was acquired by Wild Bunch for the French market and released via e-Cinema.

2.3.3 DIRECT ELECTRONIC DISTRIBUTION AND HOME ENTERTAINMENT

In the core markets of Wild Bunch, the demand for physical video declined overall in the fiscal year 2015, while VOD continues to contribute to the total revenues in the video market. The distribution of films for free and pay-TV continues to take place in a challenging market environment due to new channel networks such as multichannel networks or the expansion of SVOD services such as Netflix.

In fiscal year 2015, a number of films sold by Wild Bunch to local TV broadcasters showed a high audience rate, as for example the first time in the ARD in Germany or SAFE on the D8 in France. In addition, films like SAMBA in Germany or the 5th season of THE WALKING DEAD or LES CHEVALIERS DU ZODIAQUE in France were successfully released on DVD.

SUCCESSFUL START OF E-CINEMA

In March 2015, Wild Bunch launched a new sales channel as an alternative distribution channel for "Event Films," under the name e-Cinema, with the aim of increasing its audience and economic profitability.

In view of the increased use of VOD listings worldwide and the limited program in theatres, the Company intends to offer films either directly to different VOD vendors or, if legally permitted, at the same time via VOD and in a small number of cinemas.

Publications on e-Cinema are accompanied by ambitious marketing campaigns like those one knows from cinema production launches. Among the four films released via e-Cinema in France in 2015 were DEPARTMENT Q: THE KEEPER OF THE LOST CAUSES and GREEN INFERNO.

FILMO TV EXTENDS RANGE

FILMO TV has been available on the Bouygues platform since April 2015. This means that FILMO TV is available on all French platforms (except SFR) and over-the-top (OTT) TV, reaching about 80 % of French households.

2.3.4 OTHER INFORMATION

FILM FUND FOR CHINESE-EUROPEAN COPRODUCTIONS

In the third quarter of 2015, Wild Bunch successfully completed negotiations with the Chinese investment fund China Film and TV Capital (CFATC), specialized in the filment entertainment sector, on the founding of the China Europe Film Fund (CEFF). This created unique conditions for the development and financing of Sino-European co-productions. The CEFF was officially presented to the Chinese President Xi Jinping on 3 November 2015 during the visit of French President François Hollande. For Wild Bunch, China is a key market for film sales as well as for the acquisition of films for the company's sales network. This first agreement not least shows the company's high willingness to be present and active in this important market through alliances with first-class local partners. Several projects are currently under preparation.

WILD BUNCH TV: COPRODUCTION AND FINANCING OF HIGH-CLASS TV SERIES

With the founding of the label Wild Bunch TV, Wild Bunch expanded its business activities to include co-productions and the distribution of international TV series in September 2015. This expansion is an integral part of the content diversification strategy of Wild Bunch.

The company has already announced the start of the first two TV series: MEDICI: MASTERS OF FLORENCE, an eight-part Italian TV series in English on the rise of the Medici family and the Italian Renaissance and FOUR SEASONS IN HAVANNA, an eight-part Spanish TV series based on the popular book series by the Cuban writer and journalist Leonardo Padura. MEDICI: MASTERS OF FLORENCE, produced by the showrunner Frank Spotnitz, has been very well received by international broadcasters and has been sold in more than 150 countries. FOUR SEASONS IN HAVANNA has also received high international recognition and has so far been sold in more than 50 countries.

TERMINATION OF THE OUTPUT CONTRACT WITH RELATIVITY

On 5 January 2015, the Wild Bunch subsidiary Eurofilm & Media Ltd. ("Eurofilm"), based in Ireland, exercised its contractual right to terminate the output contract ahead of time, which had existed with the US producer RML-Distribution International LLC ("Relativity") since 2011. As a result of the exercise of the right of termination, Eurofilm will be exempted from the exclusive right and the obligation to distribute film productions of Relativity via Wild Bunch in German-speaking Europe from 1 February 2015 and to make the associated guarantee payments.

2.3.5 OVERALL ASSESSMENT OF THE DEVELOPMENT OF BUSINESS

Wild Bunch is one of the leading film distribution companies on the European market, which is particularly able to realize its strategic size, purchasing and market power, and is able to react to the rapid changes in the exploitation of film rights. Due to the internal restructuring of the Group as well as certain external events such as the terrorist attacks in France, the development of business in 2015 shows a few peculiarities that had an effect on the number and success of acquired film rights. Overall, however, Wild Bunch continued to hold its own on the market.

2.4 EARNINGS, ASSETS AND FINANCIAL POSITION OF THE GROUP

Following the successful merger between Senator and Wild Bunch S.A., the presentation of the earnings, assets and financial situation in the consolidated figures of the newly formed Wild Bunch Group are explained. Due to the economic takeover of former Senator by Wild Bunch S.A. (reverse acquisition), the figures for fiscal year 2014 of Wild Bunch S.A. are being presented here.

2.4.1 EARNINGS POSITION OF THE GROUP

In financial year 2015, Wild Bunch generated revenues of € 117,513 thousand (previous year: Wild Bunch S.A. € 130,376 thousand) according to its IFRS consolidated financial statements, while the Management Board had anticipated € 130,000 thousand. The main drivers for its operative development were the areas of TV (+13%) and home entertainment (+5%) with better than planned development, world sales (-23%) and movie rentals (-11%). Group sales revenues were distributed among the individual segments as follows: In the International Sales and Distribution and Film Production segment, the Group achieved sales revenues of € 114,667 thousand in financial year 2015. Movie rentals contributed significantly to sales at 23.3% (€ 26,720 thousand), International Sales at 24.6% (€28,259 thousand) TV 24.2% (€ 27.714 thousand) and Home Entertainment 23.6% (€ 27,072 thousand). In addition, the Group generated sales of € 2,846 thousand in the Other segment.

The Company's shares, which Senator had contributed and have since been merged with Wild Bunch S.A. contributed revenue in the amount of € 14,344 thousand. The companies of Wild Bunch S.A. accounted for € 103,169 thousand (previous year: € 130,376 thousand) of sales in financial year 2015. This corresponds to a drop in sales in the companies of Wild Bunch S.A. of 20.90% compared to the previous year, which is mainly attributable to lower revenues in the areas of international distribution, cinema revenues and video due to the lower investment volume.

By region, the sales of Wild Bunch were distributed as follows in financial year 2015: France accounted for the Company's largest share of sales at € 39.226 thousand or 33.4% (previous year: € 58.224 thousand or 44.7%). Business activities in Germany accounted for € 35,532 thousand or 30.2% (previous year: € 19,786 thousand and 15.2%, respectively) of total sales. In addition, in the core markets of Spain, € 4,969 thousand or 4.2% (previous year: € 5.639 thousand and 4.3% respectively) and Italy € 8,986 thousand or 7.6% (previous year: € 13,340 thousand and 10.2% respectively) were generated. Sales in the other regions of the world (including the sales revenues from the international distribution of film rights (2015: € 28,312 thousand, previous year € 33,388 thousand) allocated here for technical reasons amounted to € 28,800 thousand in the reporting period. This equates to a 24.5% share of total sales (previous year: € 33.388 thousand and 25.6% respectively).

The production costs of the services rendered to generate sales revenues amounted to € 108,694 thousand in financial year 2015 (previous year: Wild Bunch S.A.: € 135,032 thousand). The Group's expenses include, in particular, costs related to the distribution of films, DVD/Blu-ray commercialization and production costs, as well as expenses to licensors. The gross profit of the Group in financial year 2015 amounted to € 16,615 thousand (previous year: Wild Bunch S.A.: € 9,939 thousand). This is calculated from the revenues generated plus other film-related revenues less the production costs of the services rendered to generate the sales revenues. This resulted in a gross profit margin of 13.3% (previous year: Wild Bunch S.A.: 6.9%). Of the production costs of the services provided to generate sales revenues, the companies of Senator accounted for € 10,328 thousand and the companies of Wild Bunch S.A. € 98,365 thousand of the total production cost of € 108,694 thousand. Compared to the previous year, these costs were reduced for the companies of Wild Bunch S.A. by 27.1%.

Both the revenues and costs taken into account for the determination of the gross profit margin include in part single currency items (mainly US dollars). These items, which resulted in foreign currency, had an effect in the amount of € 1,083 thousand in financial year 2015 (previous year: € 32 thousand in net expense).

The Group's other operating income amounted to € 5,913 thousand in financial year 2015 (previous year: Wild Bunch S.A.: € 2,445 thousand). The Group's administrative expenses of € 24,505 thousand (previous year: Wild Bunch S.A.: € 17,395 thousand) essentially include personnel costs and legal and consulting costs. The management expense ratio measured as a percentage of sales was 20.9% as part of the management's expectations for the full year 2015. In the companies of Senator, administrative expenses in the amount of € 5,655 thousand have been incurred since the merger with Wild Bunch S.A., while these expenses for the companies of Wild Bunch S.A. amounted to € 18,850 thousand in financial year 2015, or 8.4% higher than the administrative expenses of the previous year. Other operating expenses of the Group amounted to € 1,389 thousand in financial year 2015 (previous year: € 302 thousand).

Consolidated earnings before interest and taxes (EBIT) amounted to € -3,366 thousand in financial year 2015 (previous year: € 5,313 thousand). Financial income amounted to € 2,205 thousand in 2015 (prior year: Wild Bunch S.A.: € 1,932 thousand). The financial expenses of the Group amounted to € 7,637 thousand (prior year: Wild Bunch S.A.: € 4,592 thousand). The Senator companies contributed to the consolidated financial result in the amount of € -6,166 thousand (prior year: Wild Bunch S.A .: € -456 thousand) since the merger with Wild Bunch S.A. in the amount of € 1,989 thousand, while the companies of Wild Bunch S.A. accounted for € 4,177 thousand.

In financial year 2015, the consolidated net income amounted to € -7,253 thousand (previous year: € 3,478 thousand). With a total of 72,560,774 outstanding shares of Wild Bunch S.A. (prior year: Wild Bunch SA: 55,872,788) as of 31 December 2015, this corresponds to earnings per share (basic / diluted) of € -0.10 (prior year: Wild Bunch SA: € -0.06).

OVERVIEW OF SIGNIFICANT GROUP FIGURES

in € thousand	**2015 Wild Bunch AG (Group)**	2014 Wild Bunch S.A.
Sales	117,513	130,376
Total income	125,309	144,971
Gross profit	16,615	9,939
Operating result (EBIT)	−3,366	−5,313
Consolidated net income	−7,253	−3,478
EPS (€)	−0.10	−0.06
Net financial debt*	82,090	66,139

*Net debt = financial liabilities less cash.

2.4.2 EARNINGS BY SEGMENT

The following table shows the earnings situation of the segments

in € thousand	International Sales and Distribution as well as Film Production		Others		**Total**	
				2014	**2015**	**2014**
Revenues	**114,667**	**127,353**	**2,846**	**3,022**	**117,513**	**130,376**
Other film-related income	6,941	11,834	854	2,761	7,795	14,595
Cost of sales	– 105,232	– 131,279	– 3,461	– 3,752	– 108,694	– 135,032
Segment profit / loss ("Gross profit")	**16,376**	**7,908**	**239**	**2,031**	**16,615**	**9,939**
Other company income					5,913	2,445
Administration costs					– 24,505	– 17,395
Other operating expenses					– 1,389	– 302
EBIT					**– 3,366**	**– 5,313**
Financial income					2,205	1,932
Financial expenses					– 7,637	– 4,592
Equity earnings					– 734	2,204
Profit/loss before tax					**– 9,531**	**– 5,770**

2.4.3 ASSETS POSITION OF THE GROUP

As of 31 December 2015, the Group's balance sheet total amounted to € 335,220 thousand (31 December 2014: € 254,284 thousand). The additions to the assets and liabilities resulting from the first-time consolidation of the former Senator Group are shown in section 4 of the notes to the consolidated financial statements. On the assets side, long-term assets amounted to € 240,887 thousand as of 31 December 2014 (31 December 2014: € 177,408 thousand). This includes intangible assets in the amount of € 106,025 thousand (31 December 2014: € 103,705 thousand). The majority of this is related to film exploitation rights, which are expected to be exploited in the coming months and years, thus contributing to revenues. Goodwill in the amount of € 124,454 thousand (31 December 2014: € 60,824 thousand) is also included in long-term assets, with € 63,630 thousand resulting from the merger with Wild Bunch. On 31 December 2015, the deferred tax assets amounted to € 4,475 thousand (31 December 2014: € 3,800 thousand).

As of the balance sheet date in 2015, the Group's current assets totaled € 94,333 thousand (31 December 2014: T € 76,876). A substantial portion of this was accounted for by trade receivables amounting to € 50,534 thousand (31 December 2014: € 42,829 thousand). There are also other current assets in the amount of € 32,567 thousand (31 December 2014: € 26,425 thousand), which mainly result from sales tax receivables as well as receivables from funding institutions. Cash and cash equivalents totaled € 8,639 thousand (31 December 2014: € 6,444 thousand) as of the balance sheet date in 2015.

In the course of the merger of Senator and Wild Bunch S.A., the new Wild Bunch AG Group has gained a solid equity base. On 31 December 2015, the equity amounted to € 75,090 thousand (31 December 2014: € 46,727 thousand). This corresponds to an equity ratio of 22.4% (31 December 2014: 18.4%).

On 31 December 2015, total liabilities of € 260,130 thousand were due to liabilities (31 December 2014: € 207,557 thousand). As of 31 December 2015, the sum of long-term liabilities amounted to € 35,463 thousand (31 December 2014: € 54,719 thousand). This includes, in particular, long-term financial liabilities in the amount of € 26,495 thousand (31 December 2014: € 43,923 thousand) and deferred tax liabilities in the amount of € 7,892 thousand (31 December 2014: € 9,718 thousand).

Current liabilities as of 31 December 2015 totaled € 224,668 thousand (31 December 2014: € 152,838 thousand). These include short-term financial liabilities of € 64,234 thousand (31 December 2014: € 28,661 thousand), including a bond plus interest rate delimitation of the former Senator in the amount of € 15.083 thousand. The offered bond was successfully placed as part of a private placement. On 24 March 2015, institutional investors traded bonds with a maturity of 12 months totaling approximately € 11,800 thousand. The placement of the remaining partial debentures totaling € 3,200 thousand to € 15,000 thousand was successfully completed on 25 June 2015. The proceeds are being used to secure liquidity, repay existing liabilities and finance the operating business.

Trade accounts payable amounted to € 85,335 thousand (31 December 2014: € 68,091 thousand), other current liabilities amounted to € 61,221 thousand (31 December 2014: € 52,744 thousand) and include liabilities from income-related taxes, social contributions and film sponsoring institutions as well as deferred accounting.

2.4.4 FINANCIAL POSITION OF THE GROUP

In financial year 2015, Wild Bunch AG generated positive operating cash flow of € 36,346 thousand (previous year: € 51,499 thousand).

Cash flow from investing activities amounted to € -38,071 thousand in the financial year 2015 (previous year: € -60,305 thousand). In doing so, the company invested primarily in film exploitation rights, which are expected to be utilised over the individual value chains in the coming months and years.

The cash flow from financing activities was slightly positive with a cash inflow of € 3,920 thousand (previous year: € 3,214 thousand). Negative effects on cash flow from financing activities had a negative effect on net borrowings. On the positive side, however, was the higher volume of the corporate bond compared to the refinanced corporate bond and the effect of the cash capital increase placed in December 2015. Please refer to the detailed disclosures in the notes to the consolidated financial statements for the structure of the maturity of the financial liabilities and major financing measures for the 2015 financial year as well as the value brightening period.

Overall, the Group's cash and cash equivalents as of 31 December 2015 amounted to € 8,639 thousand (previous year: € 6,444 thousand).

The equity ratio stood at 22.4% (previous year: 18.4%) and the share of medium and long-term financing in the total financing amounted to approximately 29.2%.

For further details, please refer to sections 2.5 ("General statement of financial position") and, in particular, also to the explanatory notes on the liquidity position at 5.1.3 ("Financial and tax risks").

PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

The financial management of Wild Bunch AG is organised centrally at the corporate level. The Group pursues value-based financing principles to ensure liquidity at all times and to minimize financial risks.

Financial management also includes currency management to limit the impact of interest rate and currency fluctuations on net income and cash flow. As of the balance sheet date 31 December 2015, Wild Bunch AG held currency options and swaps for currency hedging with a nominal value of € 1,940 thousand.

In addition, a balanced maturity profile is strived for. As the central control variables for financial management, Wild Bunch AG serves the key figures of sales, gross profit and earnings before interest and taxes (EBIT).

2.5 SUMMARY OF BUSINESS DEVELOPMENT AND THE ECONOMIC SITUATION OF THE GROUP

Financial year 2015 was characterized by major changes in the Group. Since the successful merger of Senator and Wild Bunch S.A., the Company has developed into a leading, pan-European film company with a distinctive image and a broad portfolio of activities ranging from world distribution to direct electronic distribution. In particular, the Company has been able to further advance the production and distribution of films.

Group sales amounted to € 117,513 thousand (PY Wild Bunch S.A.: € 130,376 thousand) in financial year 2015. Regarding profitability, Wild Bunch was not able to achieve its targets with an improved, though negative, earnings before interest and taxes of € -3,366 thousand (PY -5,313). With a positive cash flow from operating activities of € 36,346 thousand and liquid assets of € 8,639 thousand in the case of a net debt of € 82,090 thousand, the Company has a satisfactory liquidity situation (see notes on the risks posed to liquidity under section 5.1.3), and a high equity ratio of 22.4%. On 27 March 2015, Wild Bunch published notice of the termination and redemption of all outstanding 8% bonds 2011/2016 on the Interest Payment Date of 29 April 2015. In addition, the Company is conducting discussions with its principal financial partners to compile the most appropriate financial structure of the Company's objectives.

Overall, Wild Bunch is well positioned for further synergies within the new Group structure and to take advantage of the high growth potential of the international film market.

Overall, the Wild Bunch AG Management Board assesses the development of the asset, financial and earnings situation as currently satisfactory in light of the complex integration processes of the former Senator Group and the Wild Bunch S.A. Group. The course of business for financial year 2015 has illustrated the high dynamics of change that the film industry currently faces.

SUPPLEMENTARY REPORT

3. SUPPLEMENTARY REPORT

SUCCESSFUL EXECUTION OF A CASH CAPITAL INCREASE

Following a cash capital increase of € 1,391,556 on 17 December 2015, the Company carried out a cash capital increase of € 5,372,464 on 8 January 2016 and a further cash capital increase of € 668,980 on 2 February 2016, the Management Board has fully utilised up to one share the possibility to use the Authorised Capital 2015/I by means of a capital increase with a capital increase of 10 % of the share capital. The share capital now amounts to € 81,763,015. The new shares were issued at a price of € 2.05 per share, resulting in total gross proceeds of approximately € 15.22 million for the company. The proceeds are intended to strengthen the Company's financing structure and to repay liabilities and to further implement the Company's growth plans. As of 1 January 2015, the new shares have been included in the General Standard of the Frankfurt Stock Exchange for exchange trading into the existing listing in the regulated market segment (ISIN DE000A13SXB0/WKN A13SXB).

SALE OF THE COMPANY'S SHARES IN DEUTSCHFILM GMBH

In March 2016, Wild Bunch sold its fifty percent share in deutschfilm GmbH (hereinafter referred to as "deutschfilm"), a joint venture founded by Senator in 2009, to the joint and future general partner Anatol Nitschke. The Company, which specializes in German-language arthouse cinema, has produced or co-produced award-winning titles like GOETHE! DER GANZ GROSSE TRAUM and VICTORIA, and took over movie rentals under the umbrella of Senator. In the future, Wild Bunch will concentrate its production business for the German market in Senator Filmproduktion GmbH and Bavaria Pictures GmbH. The Company remains linked to deutschfilm projects through a first-look agreement. Together with Wild Bunch Germany, deutschfilm has already brought the Boxer drama HERBERT by Thomas Stuber to theaters in 2016.

REFINANCING OF THE BOND IN 2015

On 24 March 2016, Wild Bunch AG successfully placed the bond offered as part of a private placement. Institutional investors traded bonds with a maturity of 36 months in a total amount of € 16 million. The proceeds are being used to secure liquidity, repay existing liabilities and finance current business until a more comprehensive reorganisation of the Group's refinancing structure has been achieved.

NEGOTIATIONS WITH SUPPLIERS AND BANKS

In addition to the implementation of the credit agreement with Bank Leumi, the Company has taken further measures to improve the maturity structure of trade payables and credit liabilities. In financial year 2016, negotiations with suppliers and banks were conducted and new payment targets were agreed in part.

SALE OF THE INVESTMENT IN X-VERLEIH AG

Effective 23 September 2016,
Wild Bunch AG sold its stake in X-Verleih AG in the amount of 31.4%. The sale will result in a positive contribution to earnings of € 0.4 million in the consolidated financial statements of Wild Bunch AG in 2016.

COMPLETION OF GROUP-WIDE FINANCING OF THE COMPANY

To secure the liquidity situation, the Wild Bunch Group concluded a credit agreement with the London-based bank Leumi Plc (UK) on 5 April 2017 for a revolving credit line of € 30 million. The credit line, which runs until 2019, allows the German, Italian and Spanish Companies of the Wild Bunch Group and Wild Bunch AG to repay existing financing and to finance their ongoing business. A first drawing of around € 20 million was made on 18 July 2017. In addition, the credit agreement was granted by the French Companies and provided the conditions were met to a maximum of € 100 million in the contract; for the use of the expanded credit line, a renewed approval is required from Bank Leumi Plc (UK) and, as the case may be, other consortium banks (see explanatory notes on liquidity risks under section 5.1.3).

After the balance sheet date 2015, no other events of particular significance with a significant impact on the earnings, asset or financial position of the Wild Bunch Group have occurred, except for the above events.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FORECAST REPORT

4. FORECAST REPORT

4.1 TRENDS IN THE MARKET ENVIRONMENT

According to the consulting firm PwC's estimates, the entertainment and media industry should be able to continue its growth trend in the coming years. The total revenue on the global film market is anticipated to grow by 4.1% (CAGR) through 2019 to about US$ 105 billion according to the PwC Media & Entertainment Outlook 2015-2019 ("PwC Media Outlook 2015"). Strong growth is expected for the emerging Chinese and Latin American markets in particular accompanied by a further upward trend in established markets and the global market leader, the US.

Despite competition from other forms of entertainment and easy access to digital contents, according to the PwC Media & Entertainment Outlook 2016-2020 ("PwC Media Outlook 2016"), the global cinema market will grow by 6.0% to reach US$ 49.32 billion by 2020. Besides the dominant Hollywood blockbusters, national filmed productions are also expected to meet with high acceptance in theaters in the individual markets. In addition to the continuing growth in revenue at the box office, electronic consumption via video-on-demand offers is a major growth driver. PwC predicts in the PwC Media Outlook 2016 that the electronic consumption of video content will result in average annual growth of 11.5% by 2020. Video and streaming services will therefore gain in importance in many markets. This trend can also be observed in the main markets of Wild Bunch, but to varying degrees.

According to the PwC Media Outlook 2015, electronic sales of video content are expected to replace the rental of physical videos (on DVD and Blu-Ray media) as the second largest source of revenue in the years ahead. While a 5.8% annual decline in revenue is predicted for physical video content, the experts anticipate fast growth of 19% per year for streaming services through 2019. This upheaval in the traditional video business will be further accelerated by the decrease in conventional video stores and the increasingly large selection of streaming services. Consequently, PwC expects an annual decline in revenue for physical videos of 5.8% to US$ 22.8 billion by 2019. The study indicates that the growth of "over-the-top" (OTT) video services will also have an effect on the distribution of advertising proceeds. Accordingly, it can be expected that television viewing for traditional networks will partly shift to digital alternatives. Altogether, it is expected that TV advertising worldwide will increase by 4.1% annually to US$ 204.1 billion in 2019, while land-based and multi-channel advertising revenues are anticipated to grow by 2.8% and 5.1% respectively. Significant annual growth of 19.8% is predicted for TV advertising revenues generated online worldwide, though worldwide growth of advertising revenues has slowed overall.

The worldwide smartphone boom accompanying digitalisation provides new opportunities and at the same time wide-ranging challenges for film enterprises. According to information from PwC, the number of smartphone connections will increase from 1.9 billion in 2014 to 3.9 billion in 2019. For movie & TV series providers, this means that in the future content production and distribution must have greater focus on access via mobile end devices.

Altogether, the growing global film market and increasing demand for pay TV and video on demand offer long-term growth opportunities for the Group. In financial year 2017, Wild Bunch will pursue the objective of benefiting from these growth trends in the international markets.

4.2 EXPECTED DEVELOPMENT

For Wild Bunch AG, the focus in financial year 2017 is to increase the diversity of the portfolio and reduce costs. Despite the limited financial resources available to Wild Bunch in financial year 2016, Wild Bunch's goal is to increase its presence in the TV program through Wild Bunch TV, as well as in production and rental in existing markets.

In order to promote the commercialisation of the film library, it is of particular importance to further develop cooperation with providers in the field of electronic distribution.

At the same time, Wild Bunch strives to continue its rationalisation policy in order to simplify its structures, to harmonise its tools and to review its organisation. This policy will already bear fruit in 2017. At the end of the year, cinema publications are still of great importance.

After 58 films in 2016, Wild Bunch plans to publish a total of 51 films in cinemas in France, Germany, Italy and Spain. Some films are released in several markets through the distribution network of Wild Bunch, including RODIN by Jacques Doillon (distribution: Wild Bunch, Wild Bunch Germany and Wild Bunch Distribution), the British production SENSE OF AN ENDING by director Ritesh Batra (distribution: Wild Bunch Germany, BIM, Vértigo and Wild Bunch Distribution), EUPHORIA by Lisa Langseth (distribution: Wild Bunch Germany and BIM) and FELT by Peter Landesman (distribution: Wild Bunch Germany and BIM).

PLANNED CINEMA RELEASES BY COUNTRY:

FRANCE:

- Wild Bunch Distribution plans to release 14 films in French cinemas, including RODIN by Jacques Doillon, a filmography about the famous French sculptor, and STARS 80 LA SUITE by Frédéric Auburtin and Thomas Langmann, a French comedy with music stars from the 1980s. The release of the film is to take place parallel to the current tour of the 1980s and thus 10 years after their first tour, which was a great success. The release of THE JANE DOE IDENTITY by André Ovredal, a British-American fantasy film, French thriller KO by Fabrice Gobert and YO-KAI WATCH is also planned. The animati-on film created by the Level 5 studio is based on the well-known Japanese franchise product (video games, series, manga, etc.), a children's success story.

GERMANY:

- Wild Bunch Germany is planning to bring 19 films into German cinemas following 16 cinema releases in 2016, including DR KNOCK by Lorraine Lévy, a French comedy with Omar Sy, the German comedy LOMMBOCK by Christian Zübber, the continuation of LAMMBOCK, and MARCH OF THE PENGUINS 2 – THE CALL, the new documentary by Luc Jacquet.

ITALY:

- BIM is planning 15 cinema releases (2016: 17 cinema releases) in Italy, including BREATHE by Andy Serkis, a drama from the United Kingdom that is based on a true story, RADIN by Fred Cavayé, a French comedy with Dany Boon, and the animated film THE RED TURTLE by director Michael Dudok de Wit, which was produced in the Ghibli Studios and has already found success at international film festivals.

SPAIN:

- Vértigo is planning 13 cinema releases (2016: 19 cinema releases) in Spain, including the French comedy ALIBI.COM by Philippe Lacheau, which audiences in French cinemas loved (3.4 million visitors), the Spanish film SELFIE by Victor Garcia Leone, celebrated by movie critics, and RACER AND THE JAILBIRD by Michael R. Roskam. Furthermore, the new film LE REDOUTABLE by Michel Hazanavicius, known among other reasons through THE ARTIST, started in Spanish cinemas. The film is a biography, drama and romance all at the same time and tells the story of Jean-Luc Godard's life.

E-CINEMA RELEASES IN FRANCE

The company will continue its efforts in the area of e-Cinema through cinema releases such as the Spanish War film ZONA HOSTILE or the British shark film 47 METERS DOWN. In 2016, the Company released four films in its e-Cinema division.

INTERNATIONAL SALES

As far as international sales are concerned, 50 movies are to be marketed in 2017 (2016: 36 movies), including major titles like RAW by Julia Ducournau, ISMAEL'S GHOSTS by Arnaud Desplechin, MARCH OF THE PENGUINS 2 by Luc Jacquet, RACER AND THE JAILBIRD by Michaël R. Roskam, REDOUTABLE by Michel Hazanavicius and RODIN by Jacques Doillon, sold by Wild Bunch. Furthermore, international sales of JACKIE by Pablo Larrain, KINGS by Denize Gamze Ergüven, UNDER THE SILVER LAKE by David Robert Mitchell (distribution: Insiders). The sale of 7.19 AM by Jorge Michel Grau or BELOW HER MOUTH by April Mullen is being taken over by Elle Driver, while the sale of SAFE NEIGHBORHOOD by Chris Peckover is being managed by Versatile.

TV SERIES DISTRIBUTION

Wild Bunch TV will continue its activities with three new TV series (2016: 2 TV series). These include the Belgian drama series TEAM CHOCOLATE that was produced by Marc Bryssinck and Filip Lenaerts; this series has been chosen from the Séries Mania 2017 for the category Panorama. In addition, Wild Bunch TV will manage the sale of the two Israeli series MAMA'S ANGEL by Keren Weissman and THE EXCHANGE PRINCIPLE by Noah Stollman and Ori Weisbrod.

4.3 OVERALL STATEMENT BY THE MANAGEMENT BOARD ABOUT THE GROUP'S DEVELOPMENT

Wild Bunch remains an innovation leader in the film and entertainment market. The pan-European presence and portfolio expansion efforts are helping Wild Bunch benefit from the ongoing digital revolution, and are therefore important foundations for future business success.

The Management Board assumes that in 2017 Wild Bunch will be able to demonstrate its adaptability to the changing market environment and generate revenue from the advantages created. This should lead, for example, to a growth in sales through the activities of Wild Bunch TV or to an increased activity in electronic direct sales.

Since the financial resources for the acquisition of films were limited in the course of 2016 (investment volume of € 51.9 million), our portfolio of new content for the year 2017 is not as extensive as it was in previous years.

As a result, the Management Board expects moderately lower revenues for 2017 than in 2016 (€ 122.2 million). The decline in sales can be compensated according to the expectations of the Management Board by a better performance of the portfolio, which will lead to an improved gross profit margin. With gross profit for 2017, the Management Board therefore expects a significant increase over the previous year's level (€ 20.1 million) and an EBIT for 2017 slightly above the level of the previous year (€ 3.8 million).

Following completion of the credit agreement with revolving credit lines of € 30 million in April 2017, Wild Bunch will be able to continue the acquisition of film rights at an appropriate level (planned investment volume in 2017 of around € 45 to € 50 million) in 2017 to strengthen the pipeline for 2018 and create the conditions for a significant growth in sales in 2018.

RISKS AND OPPORTUNITIES REPORT

5. RISKS AND OPPORTUNITIES REPORT

5.1 RISK REPORT

BASIC METHODOLOGY OF RISK SPECIFICATION

Risks are assessed on the basis of the probability of their occurrence and potential financial risk. The mean of the sum of the probability of occurrence and the risk of damage then renders the relevance of the overall risk.

For the risk assessment, the following classes of entry probabilities were considered:

Class	Probability of occurrence	
1	very low	(0 % – 25 %)
2	low	(25 % – 50 %)
3	medium	(50 % – 75 %)
4	high	(75 % – 100 %)

Furthermore, the following damage classes were used for the risk assessment:

Class	Effect	
1	€ 0.01 million - € 0.5 million	Relevant
2	>€ 0.5 million	Severe

Risks attributable to damage class 2 and which have a probability of occurrence of class 3 or 4 are classified as relevant risks and shown individually. The process of recording and classifying risks has still not been entirely completed. This is planned for the second half of 2017.

Individual risks such as foreign currency risks, interest rate risks and, in particular, risks from the use of films are monitored on an ongoing basis. A merger into a risk management system comprising the Group as a whole, including a risk early warning system pursuant to section 91 (2) AktG, has not yet taken place.

2015 was characterised by the first measures of combining the different planning and reporting systems according to the business combination. Completion and standardisation of the essential components of the risk management system is planned for 2017.

In the following, the risks are generally presented in the order of their priority for the Group. Otherwise, there is currently no risk-oriented quantification.

5.1.1 MARKET AND BUSINESS RISKS

THE BUSINESS MODELS ARE DEPENDENT ON CATERING TO CUSTOMERS' TASTES AND THE WAY IN WHICH CONTENT IS CONSUMED, AND REACTING QUICKLY TO CHANGES

- Due to technical possibilities for producing illegal copies of movies and the lack of legal protection against breaches of copyright, there is a risk of lost sales.
- Market changes in the home entertainment area are characterized in particular by advancing digitalisation combined with an increase in additional offers and distribution areas, and this entails constantly changing patterns of media use.

The Wild Bunch Group is attempting to anticipate future trends through targeted market research and analyses of use. The appeal of the products is enhanced by developing consumer-friendly programming and source material. The effects of piracy are reduced by means of lobbying, awareness campaigns and systematic prosecution of violations with the goal to mitigate sales losses. The Management Board of Wild Bunch expects new legal framework conditions to contribute to an improvement in the net risk situation.

ACCESS TO LICENSES AND SOURCE MATERIAL

- Access to and acquisition of rights to literary works, exploitation rights and screenplays as well as the conclusion of contracts with directors and actors are important factors for the production of movies.
  Wild Bunch AG production entities therefore have decades of experience in working closely with renowned and experienced screenwriters, directors and producers with extensive expertise in producing movies as well as excellent reputations with public film funding institutions at home and abroad.
- Third-party productions are generally acquired on individual film markets. Various prices are paid here depending on the particular project and the specific market. Usually, the film has not yet been made at this point, so the rights are sold on a screenplay- or even sketch-basis in advance for financing. It could take up to two years from acquisition to actual delivery of the film. Here, films bought at a high price can adversely affect the Group's business, financial position and results of operations if they are a complete failure.

On the one hand, these risks are monitored through the distinct and extensive experience of the employees responsible for purchasing rights and licenses at the relevant subsidiaries. Secondly, the development of alternative formats and in-house productions is being expanded so as to create a certain degree of independence from third-party rights. Wild Bunch AG plays an important role as a leading independent pan-European film co-producer and distributor.

Third-party productions are sold in advance for financing purposes before the film is completed. It often takes several years from acquisition to actual delivery of the film. As such, back-up sales reduce uncertainty in the planning period.

WILD BUNCH IS IN INTENSE COMPETITION REGARDING SALES OF ITS PRODUCTS

The Group's planning assumes certain market shares, audience figures and proceeds from the different stages of exploitation. If these assumptions are not met, the planned sales may not be achieved. There is also a risk that it may not be possible to adapt the cost structure in a timely manner. The following factors are notable in this context:

- Market changes in the movie theater or the home entertainment sector, such as falling audience figures and growing competition, could be linked with a drop in prices for productions and licensed products. The expiry of framework agreements or a deterioration in the economic situation of licensees can lead to falling sales prices for licenses and thus threaten the intrinsic value of the film stock.
- A strong competitive environment could result in decreasing margins in the theatrical distribution business.

The Group's diversification in unrelated products and markets reduces the risk of competition in an individual area/segment. Since market shares and audience figures in particular are key factors for the amount of revenue that can be generated, Wild Bunch endeavors to gain possession of attractive program content for TV stations and other platforms and for its movies and TV series in order to increase its competitiveness and to raise the profile and enhance the appeal of products through higher expenses for marketing them.

WILD BUNCH IS DEPENDENT ON CUSTOMERS AND BUSINESS PARTNERS

- For direct distribution, there is a dependence on the major German, French, Italian and Spanish TV broadcasters, IPTV providers, VOD/SVOD platforms and DVD retailers. A considerable part of the minimum guarantee invested is covered by sublicensing distribution rights of movies and TV series. The attainable margins could be lower than planned due to a strong position held by these broadcasters or platforms.
- For international sales, there is a dependence on good business relationships with distributors acquiring movies throughout the world; especially full respect and implementation of signed contracts, which means accepting material on delivery, duly payments of instalments and appropriate marketing spending and activities on the release of the movie.

Early termination of individual agreements could lead to higher costs in searching for new partners and establishing new structures. Therefore, relationships with customers and business partners represent a key management task. Compliance with contractual arrangements and the quality of goods supplied and services performed are reviewed on a regular basis.

The global economic situation of a country can quickly negatively influence the health of the distributors acquiring movies (devaluation of the local currency, bankruptcy risks, etc.)

5.1.2 OPERATING RISKS

FILM PURCHASING RISKS

- A high level of competition continues to exist for attractive movies. Both a quantitative (relating to the level of license payment to be paid) and a qualitative risk (attractiveness of the film for distribution) also exist for film purchasing.
- The Group's purchase approval process has a risk-mitigating effect in this particular context. Purchasing calculations are also used in this context to help boost forecasting quality. The company also strives to reduce the risk of film purchasing at the time of purchasing through pre-sales of TV licenses and DVD revenue advances.

DEPENDENCE ON SUBSIDIES

- An unfavorable change in subsidy guidelines or the (partial) non-granting of planned subsidies could result in a financing shortfall for proprietary productions and coproduction at the company that would need to be covered by other free funds, or through a modification to medium-term production planning, thereby negatively affecting individual films' earnings contributions. The same applies for a change in the regulations on sales subsidies.
- The risk also exists that certain conditions for pay-outs and utilisation are not complied with. An infringement of such regulations can entail an obligation to repay the corresponding subsidies.

5.1.3 FINANCIAL, ACCOUNTING AND TAX RISKS

As part of its business activities, the Wild Bunch Group is subject to a range of financing, liquidity and interest rate risks in financial terms.

LIQUIDITY RISKS THAT JEOPARDISE THE COMPANY'S EXISTENCE

The Group needs liquid funds to meet its financial liabilities, which it generates partly from current business and partly from financing. Liquidity risks arise when the Group's payment obligations cannot be covered by its available liquidity or by corresponding credit facilities, either at all or on time. The greatest liquidity risk arises for the Group due to a lack of access to liquid funds. This may be the case, in particular, when guarantee or framework credit agreements are canceled, terminated or not renewed by banks or investors.

The possibility of canceling the payment of a framework credit agreement exists if Wild Bunch can definitively and permanently not meet certain payment conditions imposed by a financing bank. The possibility of terminating a credit line exists in principle for the entire duration of the credit line, provided that the borrower is in the **"default"** condition and that the borrower cannot be healed within a certain period. Wild Bunch is exposed to such default risks and thus, indirectly, liquidity risks within the framework of the financing used. This is particularly the case because in complex financing certain requirements that are economically and objectively attributable to the borrower are not only presented at the time of the conclusion of the credit line, but also a contractually stipulated economic constitution by the borrower over the duration of the term. This is monitored at regular intervals during the term of the agreement by checking the compliance with certain **financial covenants**. A substantial deterioration in the Company's financial position and results of operations as determined at the time of the review of the financial covenants may therefore lead to a default and entitle the issuer to terminate the credit agreement.

The cancellation of existing guarantee or framework credit agreements would result in the fact that Wild Bunch would also be forced to borrow additional capital on the capital market or from banks in order to finance new projects or existing financial liabilities in the short term or in medium term refinancing.

Therefore, there is the risk that, in the event of a deterioration of the Group's economic situation, further funding may not be available or not be available to a sufficient extent, or could only be available at more disadvantageous terms. If Wild Bunch does not service the respective loans when due or does not repay them following termination or at the end of their term, there is a risk that the respective lender may liquidate the assets pledged as security by Wild Bunch.

To hedge short- and medium-term financing, the Wild Bunch Group concluded a credit agreement with revolving credit facilities in the amount of € 30 million with a bank in April 2017 (see Supplementary Report on page 33). During the term of this financing, full access to funds from the loan will depend on Wild Bunch's monthly and quarterly reporting and reporting on the achievement of economic key ratios in the framework of the credit agreement.

In order to meet the reporting requirements of this agreement, the Management Board has initiated a restructuring of the financial system, which is expected to close in 2017. The financial covenants relate primarily to the following key performance ratios: EBITDA ratio, that is, consolidated EBITDA in relation to revenue, the liquidity ratio, i.e. the volume of accessible sources of financing compared to the expected financing requirements, the leverage ratio, i.e. the ratio of net debt to consolidated EBITDA and a guarantee to a minimum value for the company's balance sheet equity. The Management Board assumes that the aforementioned financial covenants will be adhered to on the basis of the development of the Company as set out in the business plan, thus avoiding liquidity risks for the Company. This is particularly the case since the Management Board has succeeded in enforcing financial covenants in the financing negotiations, which can be assumed to be consistent with the plans. At the same time, however, the Management Board cannot completely rule out the fact that in particular compliance with the EBITDA ratio and the equity minimum are subject to certain risks. In order to achieve the EBITDA ratio, the full implementation of the planned investments in 2017 is necessary, which in turn depends on sufficient liquidity access to the Company. A risk that the EBITDA ratio will not be respected will be generated by the Wild Bunch in particular if the consolidated EBITDA is less than 35% of the sales revenues in the period under review at 12-month rolling backward. With regard to the equity minimum, there is a risk that the goodwill recognised will not contribute to the total value of the Company to the extent that the Management Board accepts it and that an impairment loss must be recognised which would have an effect on the equity of the Group. In this context significant depreciation on the goodwill could lead to a fall in the equity minimum. However, Wild Bunch AG can react to covenant-threatening changes in equity with the implementation of capital measures from authorised capital. However, the latter presupposes the successful approach and the interest of investors. Such capital measures are free of form and up to 10% of the capital stock and are thus also possible in the short term.

When the breach of the contractual financial covenant occurs ("default"), there is a threat to liquidity for the Wild Bunch Group that is endangering the company's continued existence. However, from the Board's viewpoint, this risk does not necessarily follow. After the infringement has been identified, an agreement regime ("acceleration") takes effect, which gives the lender the possibility to prevent further payment of funds and to pay the financing as a whole. Usually, however, this is only ultima ratio as long as adjustments to the financing (partly with a disadvantageous cost structure for the borrower) and previous amicable attempts at solving with the creditors do not lead to success.

In addition, the continuation of the Group presupposes that in the period up to 30 September 2018, the additional funds of € 50 million to € 60 million will primarily be used to refinance existing loan liabilities of the French Companies as part of an expansion of the financing with Bank Leumi or another fund.

SUMMARY OF RISK THAT JEOPARDISES THE COMPANY'S EXISTENCE

In April 2017, the Group concluded a framework credit agreement of up to EUR 30 million. This may be due by the bank in case of violation of agreed Financial Covenants (including the EBITDA Ratio and Equity Minimum). According to the current plan, the Management Board expects to meet the financial covenants. In addition, there are other contractual reporting obligations, the violation of which also allows the bank to make the loans granted due. These contractual reporting requirements also include the submission of consolidated financial statements for financial year 2016, which are accompanied by an unqualified audit opinion. In particular, in the event of a deterioration in the Group's economic situation, there is a risk that the financial covenants cannot be met. Furthermore, the risk cannot be excluded that the consolidated financial statements for financial year 2016 will not be given an unqualified audit opinion and the bank will exercise its resulting right to maturity of the loan. In these cases, the continuation of the Group is dependent on the fact that the Company is able to absorb further funds to the extent required. In addition, the continuation of the Group presupposes that in the period up to September 30, 2018, the additional funds of € 50 million to € 60 million will primarily be used to refinance existing loan liabilities of the French Companies as part of an expansion of the financing with Bank Leumi or another fund.

RISK FROM DEFAULT ON THE BOND 2016/19

- Securities issued by Wild Bunch AG are issued in the amount of EUR 18 million. During the term of the bond, Wild Bunch AG will pay interest on the issued bonds at the end of each quarter. The Management Board considers the risk of interest default and possible termination of the bond or its non-repayment to be extremely low, in particular because all previous interest payments have been paid in full and without delays. However, it cannot be completely ruled out that at a later date the risk of termination of the bond due to defaults increases or materialises.

IMPAIRMENT OF ASSETS

- As of the reporting date, the Group holds significant financial and non-financial assets such as film assets.
- Impairment tests are conducted annually for goodwill, film assets and certain financial assets of the Group, and during the course of the year if indications of impairment exist. If market values are unavailable, such asset valuations include management estimates and assumptions. Such estimates and assumptions are based on the information available at any given time.
- Actual developments that are frequently outside the scope of the Company's influence can differ from the assumptions that are made, thereby requiring that impairment losses also be applied to assets in the future, and necessitating adjustments to carrying amounts. This can negatively affect earnings.

CURRENCY RISKS

- Currency risks exist particularly in relation to the US dollar, because most of the film rights acquired on international film markets are paid for in US dollars. The revenue from the exploitation of the rights is mostly generated in euros, on the other hand.

- Fluctuations in the euro to US dollar exchange rate can affect the results of operations, resulting in both exchange rate gains and exchange rate losses.
- The Group strives to reduce currency risks by deploying appropriate derivative financial instruments such as currency options and forward currency transactions. It cannot be ensured, however, that the Group's currency hedging measures will prove sufficient, and the Group cannot guarantee that exchange rate fluctuations will not negatively affect its earnings.

CREDIT RISKS

- A credit risk exists if a debtor cannot settle a receivable, or cannot settle it on time. Credit risk includes both direct counterparty default risk and the risk of a deterioration in the credit rating.
- Potential default risks relating to receivables are continuously taken into account through regular evaluation, and the formation of valuation allowances where required.
- The receivables are managed accordingly and customer credit assessments are carried out.

INTEREST RATE CHANGES

- The interest rate risk primarily lies in the area of financial liabilities. The Group has variable interest-bearing short-term and long-term financial liabilities in the amount of € 64,701 thousand (previous year: € 70,682 thousand).
- Interest rate hedges were not used in financial year 2015.

RISKS IN CONNECTION WITH FUTURE TAX FIELD AUDITS

- Wild Bunch AG is of the opinion that the tax returns prepared within the Group were issued on a complete and correct basis. The risk nevertheless exists that retrospective tax demands might arise due to differing view of matters by tax authorities. Differing tax assessments might negatively affect the results of operations.

5.1.4 LEGAL RISKS

RISKS FROM LEGAL DISPUTES

As an international enterprise, Wild Bunch is exposed to a number of legal risks. These particularly include risks relating to copyright law, company law, securities trading law and employment law. The outcomes of currently pending and future legal proceedings often cannot be reliably predicted, meaning that, among others, court rulings or decisions by public authorities may result in expenses that are not covered, or not fully covered, by insurance policy benefits and could have a negative impact.

As part of the legal support for operating activities, legal risks are identified and assessed qualitatively and quantitatively in terms of their probability of occurrence and potential impact.

INFRINGEMENTS OF COPYRIGHT LAWS

- The modern technical capabilities to create illegal film copies can result in the infringement of copyright laws.
- Internet piracy in combination with sophisticated technologies could result in losses unless appropriate countermeasures are put in place.

RISKS RESULTING FROM GRANTING OF WARRANTIES

In 2008, the company Senator Group at that time sold a film rights package to MPG Secure Tow LLC (MPG II). To finance the acquisition of film rights, MPG II has now taken out a loan. Senator as well as various subsidiaries have various guarantees within the framework of the financing, such as with regard to the processing of the film rights evaluation. It cannot at present be ruled out in full that, in particular, Wild Bunch AG will be used under the guarantees for payment. This could have a significant impact on the assets, financial and earnings position of the Wild Bunch Group.

REGULATORY RISKS

The business activities of Wild Bunch as a pan-European company are the subject of regulation and the legal framework in the legal systems applicable to the business of the Group Companies and at European level. Unforeseen changes in the regulatory or legal framework can also have an impact on the individual business activities of the Company. Operational business activities of Wild Bunch are therefore particularly exposed to regulatory risks, as far as these relate to the production and distribution of films and media content. The Company is represented by its executives and employees in interest and professional associations in order to achieve the best possible consideration of its interests.

In Germany, for example, a change in copyright law that entered into force in March 2017 led to the assumption that creativity would be increasingly involved in the commercial success of filmed productions, as long as success proved to be above-average. In order to substantiate possible claims, the creators are also given a right of information to the film-borrowers about the proceeds of the film, which could result in a higher administrative burden.

All in all, it can be underlined here that the protection of local cultural goods including films and local companies active in the entertainment sector is an important and continuous objective of national and European regulation.

In summary, regulatory risks or risks arising from the legal environment are classified as minor and manageable.

RISKS FROM OFFICIAL PROCEDURES

In connection with the publication of the half-year report 2016 as of 21 March 2017, it cannot be ruled out at present that an administrative fines procedure of the Federal Financial Supervisory Authority (BAfin) will be opened against Wild Bunch AG.

5.2 REPORT ON OPPORTUNITIES

5.2.1 OPPORTUNITY MANAGEMENT

Analogous to risk management, the Wild Bunch Group management pursues with its objective of executing its strategic and operational goals both quickly and efficiently through concrete activities. Opportunities can arise in all areas. Identifying and making targeted use of these is a job for our management that also has an impact on everyday decisions. Comprehensive market research is an important component of this structured approach.

5.2.2 INFORMATION ON INDIVIDUAL OPPORTUNITIES

Based on the definition contained in the risk report, the Group defines an opportunity as a possible future development or occurrence that can lead to a positive change in the forecast or in the Company's objectives. This means that events that have already been taken into consideration in the budget or in medium term planning do not represent opportunities according to this definition and are not discussed in this report.

THE WILD BUNCH GROUP SEES OPPORTUNITIES IN THE EXPLOITATION AND DEVELOPMENT OF LICENSES, FORMATS AND CONTENTS THAT IT HAS ALREADY SECURED AND IN INTEGRATING THESE INTO A STRONG INTERNATIONAL NETWORK

In light of the new Group structure, the Wild Bunch Group, which became a leading pan-European film company, owns a large number of utilisation and/or marketing rights – mainly film rights and contents – which in some cases extend significantly beyond the planning period. The Group's image and its continuous efforts to maintain and expand its international network will also contribute toward future access to these rights.

The exploitation of these rights can increase the attractiveness and thus the range of distribution platforms to an even greater extent than initially expected. This, in turn, would result in future revenues that are higher than planned. Attractive content and film rights can over-anticipate the customer's taste, which could lead to sales that are higher than planned throughout the entire utilisation chain.

THE WILD BUNCH GROUP SEES OPPORTUNITIES TO STRENGTHEN ITS MARKET POSITION BY ENGAGING IN NEGOTIATIONS WITH RIGHT HOLDERS, PRODUCERS, ACTORS AND CUSTOMERS AMONG OTHERS

As a result of the successful merger between Wild Bunch and Senator and the much stronger market position that has thus been gained, synergies can be achieved that are even higher than planned. This applies to purchasing, costs and financing in particular. Due to the significant increase in the Company's size and its international presence, for instance, rights and contracts with right holders can possibly be acquired under terms that are more advantageous than initially expected due to a stronger negotiating position. This also means that wider and stronger access to talents could open up business opportunities that are not yet being taken into account in current planning.

THE WILD BUNCH GROUP SEES OPPORTUNITIES IN THE INCREASING DIGITALISATION AND THE RELATED CHANGE IN MEDIA USE

Media consumption habits are also changing due to increasing digitalisation. For instance, according to the PwC Media Outlook 2015, the electronic distribution of video content will replace purchases and rentals of physical videos (DVDs and Blu-rays) as the second largest source of revenue in the years to come. The Wild Bunch Group continuously develops its business model and is working on establishing alternative direct distribution means thanks to the increasing digitalisation pressure through e-Cinema, the new distribution method devoted to "event movies" or the French VOD/SVOD service FilmoTV. In addition, the Group has actively developed new ways of licensing and marketing its rights that offer new digital marketing opportunities through agreements with digital sales partners or include productions for international and national providers such as Netflix. Pan-European positioning with films and TV series, as well as its strong and well-known brand, gives Wild Bunch a strong position in the media sector.

THE WILD BUNCH GROUP SEES OPPORTUNITIES DUE TO THE RENEWED STRONG APPEAL OF TELEVISION SERVICES FOR VIEWERS, USERS AND ADVERTISERS

From the customer perspective, television remains a stronghold in the area of filmed entertainment. Today, the high attractiveness of television is characterised not only by the fact that advertisers achieve a wider reach within a short period of time and can increase their awareness level, but also that television has reinvented itself and succeeded in evolving from linear to non-linear programming that attracts and serves a younger, more flexible and independent audience who is in constant demand for a fresh product. With limitless possibilities of individualised advertising, television when broadcasted online, combines the broadcasters' capacities of intensified advertising with the audience's needs for a wider range of better quality products. The higher levels of advertising income should further increase the networks' acquisition activities to satiate the audience's appetite for new products. The management sees that significant opportunities could arise from the launch of Wild Bunch TV, an inhouse co-production and marketing unit for international television series, which is dedicated to serving the demands of the television services market. After already successfully producing and selling two TV series of obvious international appeal, the management sees opportunities to also promote other TV series which are developed by this unit beyond planning.

THE WILD BUNCH GROUP ALSO SEES OPPORTUNITIES IN THE FURTHER INTERNATIONALISATION OF ITS BUSINESS

The Wild Bunch Group is currently present in most of the important European film markets (Germany/Austria, France, Italy and Spain). Besides further penetration of these core markets, expansion into new markets offers opportunities that may be greater than the Company currently plans. Other significant opportunities could arise from developing fast-growing regions like China, India or 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) last year and thus the creation of unique conditions for the development and financing of Sino-European co-productions, attractive conditions have been created in the key Chinese market that could result in additional growth opportunities.

THE WILD BUNCH GROUP SEES OPPORTUNITIES IN FURTHER PARTNERSHIPS AND BUSINESS COOPERATIONS

Significant synergies as well as an intensified or accelerated internationalisation of business activities could result from acquisitions and mergers not yet included in the current plans. 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

5.3 OVERALL RISK ASSESSMENT

Based on available information and assessments, in particular the assessment of the probability of occurrence of risks, their maximum amount of damage and the effect of the countermeasures in force, the Management Board of Wild Bunch AG comes to the conclusion that, besides the risks that jeopardise its existence that are discussed in section 5.1.3, no risks are currently known that have threatening character to the general existence of the Group. This applies to individual risks as well as their entirety provided that the impact of the combined risks can be simulated or otherwise estimated.

Nevertheless, should expected earnings contributions from acquired and yet to be acquired film exploitation rights not develop as planned and Wild Bunch subsidiaries' operations fall significantly short of expectations, the continuation of the company in the current scope of business will depend to a large extent on the acquisition of additional funds beyond those listed under 5.1.3 that exceed the necessary € 50 to € 60 million that are necessary to refinance the existing credit obligations of the French Companies.

The Management Board is convinced that the measures taken cover the risks to an economically justifiable extent and that the risk-bearing capacity of the Group is adequate.

The Management Board sees the greatest opportunities in the further integration of the Group, deriving synergies, reducing overheads, exploiting growth potentials and stabilising income.

In addition, prospects arise from working with screenwriters, directors and producers both domestically and abroad as well as access to attractive contents and licenses, intensified cooperation with talented individuals and an expansion of the business model through the internationalisation of production and marketing activities as well as possible further strategic acquisitions.


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CORPORATE GOVERNANCE

6. SIGNIFICANT CHARACTERISTICS OF THE INTERNAL CONTROL SYSTEM AND THE RISK MANAGEMENT SYSTEM

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 assets, financial position and earnings position. The risk management system applies to all areas of the Group and comprises exclusively the recording of risks. Strategic and operational events and measures that have a significant impact on the existence and the economic situation of the company are considered risks. They also include external factors, such as the competitive situation, regulatory developments and other factors that can jeopardise the achievement of the Company's objectives.

The Management Board of Wild Bunch's objective for 2015 was to streamline risk and opportunity assessment across the Group. Individual risks were monitored in 2015. A merger into a risk management system comprising the Group as a whole, including a risk identification system, has not yet taken place. Risks are to only be incurred to the extent that these have no foreseeable particularly negative effects on the Company's development. All employees are expected to consider their actions in order to prevent risks that could jeopardise the Company's existence.

The risk management system implemented in the Wild Bunch Group is essentially based on detailed risk assessment and risk monitoring during the acquisition and exploitation of film rights. Extensive analyses of the usability and profitability of film rights over the entire utilisation chain, detailed assessments of revenues and direct costs at the individual stages of the utilisation chain as well as target/actual comparisons for risk monitoring are used. Liquidity management and ensuring compliance with financial targets are monitored at the level of the Management Board, which reports regularly to the Supervisory Board. Furthermore, the Wild Bunch Group monitors risks at the level of individual subsidiaries through ongoing reporting by local management to the Management Board.

A complete unification of key components of the risk management system of the entire Wild Bunch Group is planned for 2017.

INTERNAL CONTROL SYSTEM

The aim of the accounting-related internal control and risk management system is to ensure that all events and transactions are reported completely within the financial accounting function, are recognised and measured correctly, and are presented in the financial reporting of Wild Bunch AG and of its subsidiaries in accordance with statutory and contractual requirements, as well as internal guidelines. The precondition for this is that statutory and internal company regulations are complied with throughout the Group. Despite appropriate and functioning systems, it must nevertheless be noted that complete certainty cannot be ensured in the identification and management of risks.

Financial accounting processes within the Wild Bunch Group are centralised at its headquarters in Paris and in Berlin. In Paris, certain central functions are performed for the subsidiaries of Wild Bunch S.A., Paris. The accounting department for the German subsidiaries is centrally responsible in Berlin and the consolidated financial statements are consolidated.

Wild Bunch AG uses SAGE and SAP R/3 as its ERP system in Paris and Berlin respectively.
The Wild Bunch Group also uses the Opera system for the consolidation of individual Group companies. In addition, data from other systems is monitored for its correct transfer and processing. The IT systems utilised for financial reporting are protected from unauthorised access. The Wild Bunch Group has authorisation concepts which are updated and monitored regularly.

At the local level, accounting regularly prepares individual accounts for all local companies of the Wild Bunch Group using local accounting rules. For corporate purposes, reporting packages are prepared in the local countries for the respective companies, which form the basis for the consolidated financial statements. The main elements of accounting (including film assets and provisions) are the bases for bookings made in spreadsheets. For financial year 2017, the Management Board plans to introduce IT databases for these areas

Following the merger of Wild Bunch AG, Berlin (formerly Senator Entertainment AG), and Wild Bunch S.A., Paris, a harmonisation of the accounting processes within the merged Group was started. In this context, changes to the accounting methods of Wild Bunch S.A. as well as recognition errors in the past have been identified which resulted in a retroactive adjustment of the Group figures pursuant to IAS 8 in the consolidated financial statements of Wild Bunch AG, Berlin, for the financial year from 1 January to 31 December. This was due to the different accounting processes that had already taken place under the capital maritime conditions in parts of the Wild Bunch Group in 2014 and could be carried out in other parts of the Wild Bunch Group without due regard for the legal framework. Harmonisation of accounting procedures were initiated in 2015 but have not yet been fully completed.

As a result of the above-mentioned circumstances as well as complex presentation and consolidation issues related to the reverse acquisition, the financial statements for financial year 2015 were delayed.

The controlling department concentrates on the expenses and income recorded at the level of individual film exploitation rights or the payments or receipts recorded there.

The internal control system was in a state of upheaval in 2015 due to the changed processes and restructuring (business acquisitions). A reorganisation of the processes and internal controls is planned for financial year 2017, as is the completion of the complete harmonisation of the corresponding internal systems and documentation.

In addition, the Supervisory Board regularly deals with the main accounting issues and the related internal control and risk management system.

7. TAKEOVER LAW DISCLOSURES PURSUANT TO SECS. 289 [4], 315 [4] HGB

Pursuant to Sec. 289 (4) and Sec. 315 (4) HGB, public stock corporations that utilise organised markets in the meaning of Sec. 2 (7) WpÜG [“Wertpapiererwerbs- und Übernahmegesetz”: German Securities Purchase and Takeover Act] through voting-entitled shares that they issue, must make the following disclosures in the management report:

Composition of issued capital:

- The share capital of Wild Bunch AG amounts to € 75,721,571 and is divided into 75,721,571 no-par value bearer shares. No differing share classes exist. Please refer to the notes to the consolidated financial statements as of 31 December 2015 for information about contingent and authorised capital.

Restrictions affecting voting rights or the transfer of shares:

- The Management Board is not aware of any restrictions affecting voting rights or the transfer of shares.

Direct or indirect interest in the capital exceeding ten percent of voting rights:

- The interests in Wild Bunch AG, which exceed 10% of the voting rights, are shown in the notes to the consolidated financial statements, which are available on the website www.Wild Bunch.eu/investors/publications/. Www.Wild Bunch.eu/investors/the-share/ the current voting rights notices are published under the Securities Trading Act.

Holders of shares with special rights endowing controlling authorisations:

- Special rights endowing controlling authorisations do not exist.

The type of voting rights control if employees participate in the capital and do not directly exercise their control rights:

- The Management Board is not aware of employees participating in the capital and not directly exercising their control rights.

Statutory regulations and provisions of the Company bylaws concerning the appointment and removal from office of Management Board members, and concerning modifications to the Company bylaws:

- The appointment and removal from office of Management Board members is performed on the basis of Secs. 84, 85 AktG. Amendments to the Company bylaws are based on Secs. 179, 133 AktG, whereby the Supervisory Board is also authorised to approve amendments to the Company bylaws that affect only their wording.

Authorisations of the Management Board, especially relating to their capacity to issue or repurchase shares:

- The Management Board of Wild Bunch AG has been authorised by various annual general meeting resolutions to purchase treasury shares in total of up to 10% of the share capital at the time of the resolution. The resolution was renewed for the period up to 29 June 2020 at the annual general meeting 2015. Treasury shares were purchased at various times during financial year 2000. Wild Bunch AG reports 2,415 treasury shares with a nominal value of € 2,415 or approximately 0.0003% of the share capital as of the reporting date. By a further resolution of the Annual General Meeting in 2015, the authorised capital 2012/I, which had existed until then, was canceled if the Company had not used it and a new authorised capital was adopted of up to € 37,165,007.00 (Authorised Capital 2015/I) by 29 June 2020, which is still available to the Company in the amount of € 29,732,007.00. In addition, at the Annual General Meeting 2015 the Management Board authorised, subject to the approval of the Supervisory Board, to issue convertible or warrant-linked bonds with a total amount of up to € 19,750,097. Conditional Capital 2015/I is only used if the holders of the conversion or option rights exercise their conversion or option rights or fulfill conversion obligations from such bonds. Conditionl Capital 2015/I was entered into the commercial register on 7 July 2015.

Significant Company agreements subject to a change of control due to a takeover bid:

- In the case of a change of control event, the members of the Management Board have an extraordinary right of termination. In this case, Mr Grimond, Mr Chioua and Mr Maraval will be entitled to their total remuneration (fixed salary and performance-related remuneration) until the end of the regular contract period, maximum of the total remuneration for two years. Such contractual provisions do not exist for Mr Sturm.

Company compensation agreements that have been entered into with Management Board members or employees for the instance of a takeover bid:

- There are no compensation agreements with Management Board members or employees in the event of a takeover bid.

8. CORPORATE GOVERNANCE STATEMENT PURSUANT TO SEC. 289A HGB

Reporting pursuant to Sec. 289a HGB can be downloaded from the Internet at http://Wild Bunch.eu/de/investor-relations/corporate-governance/.

Provisions for the promotion of the participation of women in management positions pursuant to section 76 (4) and section 111 (5) of the German Stock Corporation Act

The Act for Equal Participation of Women and Men in Management Positions in the Private Sector and in the Public Sector in May 2015 requires certain companies, including Wild Bunch AG, to set targets for the proportion of women in the Supervisory Board, the Management Board and the following members to management levels of the Company concerned and to determine the extent to which the respective proportion of women should be reached.

Since the statutory minimum share of 30% of women and 30% of men was not applicable to the Supervisory Board of Wild Bunch AG for the replacement of vacant Supervisory Board mandates, the Supervisory Board itself had to set a target. Accordingly, the Supervisory Board of Wild Bunch AG resolved on 17 September 2015 to set targets for women on the Supervisory Board and the Executive Board of Wild Bunch, each with a transitional period until the end of 30 June 2017. Targets of 15% (Supervisory Board) and 0% (Management Board) were fixed at the time of the resolution.

The basis for the fixed target size in the Supervisory Board was primarily the fact that no regular Supervisory Board elections had been launched within the agreed maximum legally permissible first implementation period by 30 June 2017 so that the target share for women in the Supervisory Board of Wild Bunch AG was set at 15%.

In this context, the Supervisory Board also complied with its statutory duty to establish a target for the proportion of women in the Management Board with a conversion period of 30 June 2017. At the time the target variable was determined, the Supervisory Board had not planned any changes in the composition of the Management Board. As a result, the Supervisory Board initially adopted a target of 0%. However, this does not mean that an increase in the proportion of women in the Management Board would be excluded within the implementation period should there be a need for a new appointment in or expansion of the Management Board.

The Management Board of Wild Bunch AG is of the opinion that there are no management levels below the Management Board of the Company. The Company acts as a pure holding company and, in addition to the members of the Management Board, has only a small number of employees mainly active in the administrative area.

9. DEPENDENT COMPANY REPORT

The Management Board prepared a dependent company report in accordance with Sec. 312 AktG containing the following final statement:

"We declare that the Company has received reasonable consideration in the case of any legal transaction with the controlling company and affiliates in the circumstances known to us at the time of the legal transactions.

No measures to the detriment of the Company were made or omitted in the period under review at the request of or in the interests of the controlling company and related companies."

In the reporting period, we did not undertake, or refrain from taking, any reportable actions motivated by or in the interest of the controlling company or its affiliates."

10. REMUNERATION REPORT

The Management Board members receive a fixed annual salary (including a pension supplement, and, potentially, allowances for sickness and care benefits), and in some cases a bonus that takes appropriate account, in compliance with Sec. 87 AktG, of the business results, the Company's financial position and the Management Board member's performance. The profit-related compensation can amount to a maximum of € 275 thousand per year. The Supervisory Board is at liberty to individually be granted a bonus of up to € 100 thousand. The fundamentals of the remuneration system are unchanged compared to the previous year.

The Management Board service agreements do not include any explicit settlement commitment if the Management Board members terminate their service agreements early. A settlement can nevertheless arise from a termination agreement that is concluded on an individual basis.

The Supervisory Board members receive fixed compensation, the level of which is determined by a resolution by the annual general meeting. They are to also be reimbursed for any expenses connected with their activities as well as the VAT incurred on these payments.

Please refer to note 48 "Total remuneration of the Supervisory Board and the Management Board" in the notes to the consolidated financial statements for more information.

Berlin, den 21. September 2017

Vincent Grimond
(CEO)

Max Sturm
(CFO)

Brahim Chioua
(COO)

Vincent Maraval
(CCO)

CONSOLIDATED FINANCIAL STATEMENTS

WILD BUNCH AG
CONSOLIDATED INCOME STATEMENT FOR FISCAL YEAR 2015 (IFRS)

in € thousand	Notes	**2015**	2014
Revenue	8	117,513	130,376
Other film related income	9	7,795	14,595
Total income		**125,309**	**144,971**
Cost of Sales	10	– 108,604	– 135,032
Gross Profit		**16,615**	**9,939**
Other operating income	11	5,913	2,445
Administration expenses	12	– 24,505	– 17,395
Other operating expenses	13	– 1,389	– 302
Operating Result		**– 3,366**	**– 5,313**
Finance income	14	2,205	1,932
Finance costs	14	– 7,637	– 4,592
Share of profit of an associate or joint venture	14	– 734	2,204
Finance result	**14**	**– 6,166**	**– 456**
Profit / (loss) before tax		**– 9,531**	**– 5,770**
Income tax expenses	15	2,278	2,291
Profit / (loss) for the year		**– 7,253**	**– 3,478**
Non-controlling interests		– 60	– 151
Profit / (loss) attributable to owners of the company		**– 7,193**	**– 3,328**
Weighted average number of shares (in no. thousand)		72,561	55,873
Potential number of diluted shares (in no. thousand)			
Total weighted average number of shares (in no. thousand)		72,561	55,873
Earnings per share	16		
Basic earnings per share (€ per share)		– 0.10	– 0.06
Diluted earning per share (€ per share)		– 0.10	– 0.06
Earnings per share for continuing operations			
Basic earnings per share (€ per share)		– 0.10	– 0.06
Diluted earning per share (€ per share)		– 0.10	– 0.06

WILD BUNCH AG,
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

in € thousand	Notes	**2015**	2014
Statement of recognized income and expense			
Consolidated net income		**– 7,253**	**– 3,478**
Items that will not be reclassified in the income statement			
Acturial gain/loss from defined benefit plans	30	– 13	– 191
Deferred taxes	30	4	64
Other income		**– 9**	**– 127**
Total consolidated income		**– 7,262**	**– 3,606**
Minority interests		5	– 151
Profit attributable to shareholders		**– 7,267**	**– 3,455**

WILD BUNCH AG,
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2015 (IFRS)

in € thousand	Notes	**31/12/2015**	31/12/2014	01/01/2014
ASSETS				
Goodwill	17	124,454	60,824	60,824
Intangible assets	18	106,025	103,705	113,454
Tangible assets	19	1,441	1,402	1,554
Other financial assets	21	1,140	900	729
Investments accounted for using the equity method	20	3,294	6,778	4,969
Deferred tax assets	15	4,475	3,800	241
Other non current accounts		58	0	617
Non current assets		**240,887**	**177,408**	**182,388**
Inventories and work in progress	22	2,231	1,179	840
Accounts receivables and related accounts	23	50,534	42,829	53,916
Other current assets		362	0	0
Cash and cash equivalents	24	32,567	26,425	27,893
Current assets		8,639	6,444	12,035
Total assets		**94,333**	**76,876**	**94,685**
Bilanzsumme		**335,220**	**254,284**	**277,073**

WILD BUNCH AG,
CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2015 (IFRS)

in € thousand	Notes	**31/12/2015**	31/12/2014	01/01/2014
EQUITY AND LIABILITIES				
Shareholders equity - Group	25-27	75,097	46,731	53,588
Minority interest	28	– 8	– 4	1,476
Shareholders equity		**75,090**	**46,727**	**55,064**
Retirement and related commitments	30	632	545	361
Non current provision	31	295	484	284
Deferred tax liability	15	7,892	9,718	9,957
Non current debt	32	26,495	43,923	40,894
Other non current liabilities		149	50	683
Non current liabilities		**35,463**	**54,719**	**52,180**
Current provision	31	13,875	3,316	2,538
Current debt	32	64,234	28,661	26,207
Suppliers - accounts payables	33	85,335	68,091	72,890
Income tax payables		3	26	48
Other current liabilities	34	61,221	52,744	68,147
Current liabilities		**224,668**	**152,838**	**169,830**
Total equity and liabilities		**335,220**	**254,284**	**277,073**

WILD BUNCH AG,
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Issued capital	Capital reserve	Accumulated result
As of 01 January 2014 (as reported)	**187**	**37,606**	**14,497**
Error correction	0	0	1,285
As of 01 January 2014	**187**	**37,606**	**15,782**
Change in scope of consolidation	0	0	– 2,696
Capital measures	0	– 746	0
Result of the year (as reported)	0	0	– 1,170
Error correction	0	0	– 2,157
Result of the year after error correction	0	0	– 3,327
Other comprehensive income	0	0	0
Other adjustments	0	0	40
As of 31 December 2014	**187**	**36,860**	**9,799**
As of 31 December 2014 (as reported)	*187*	*36,860*	*12,029*
Adjustment of subscribed capital to the value of the merger from Wild Bunch S.A. and Senator Entertainment AG	55,686	– 55,686	0
As of 31 December 2014	**55,873**	**– 18,826**	**9,799**
As of 01 January 2015	**55,873**	**– 18,826**	**9,799**
Change in scope of consolidation	18,455	15,506	0
Cash capital increase	1,391	1,462	0
Costs relating to capital increase	0	– 1,246	0
Result of the year	0	0	– 7,193
Other comprehensive income	0	0	0
Other adjustments	0	0	0
As of 31 December 2015	**75,719**	**– 3,104**	**2,607**

Accumulated other equity				
Other comprehensive income	Other comprehensive income tax	Share attributable to owners of Wild Bunch AG	Share of other shareholders	Consolidated equity
20	**–8**	**52,302**	**2,813**	**55,115**
0	0	1,285	–1,337	–52
20	**–8**	**53,587**	**1,476**	**55,063**
0	0	–2,696	–1,330	–4,026
0	0	–746	0	–746
0	0	–1,170	–25	–1,195
0	0	–2,157	–125	–2,282
0	0	–3,327	–150	–3,477
–191	64	–127	0	–127
0	0	40	0	40
–171	**56**	**46,731**	**–4**	**46,727**
–171	***56***	***48,961***	***100***	***49,061***
0	0	0	0	0
–171	**56**	**46,731**	**–4**	**46,727**
–171	**56**	**46,731**	**–4**	**46,727**
0	0	33,961	0	33,961
0	0	2,853	0	2,853
0	0	–1,246	0	–1,246
0	0	–7,193	–60	–7,253
–13	4	–9	0	–9
0	0	0	56	56
–184	**60**	**75,098**	**–8**	**75,090**

WILD BUNCH AG, CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2015 (IFRS)

in € thousand	**01/01/2015-31/12/2015**	01/01/2014-31/12/2014
Consolidated net profit	**–7,253**	**–3,478**
Depreciation, amortization, impairments and write-ups	51,479	59,467
Result from investments accounted for using the equity method	734	–2,204
Dividends received from investments accounted for using the equity method	113	157
Changes in provisions	–2,735	1,162
Changes in deferred taxes	–2,501	–3,799
Other non-cash income and expenses	237	63
Changes in trade receivables	–3,188	10,917
Changes in trade payables	–4,199	5,389
Changes in other assets and liabilities	3,658	–16,354
Cash flow from operating activities	**36,346**	**51,499**
Proceeds from disposals of intangible assets, property plant, and equipment	3,751	2,513
Proceeds from disposals of non-current financial assets	175	0
Purchases of intangible assets	–47,806	–62,741
Purchases of property, plant and equipment	–309	–51
Purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired	6,758	0
Purchases of investments in non-current financial assets	–641	–26
Cash flow from investing activities	**–38,071**	**–60,305**

in € thousand	**01/01/2015-31/12/2015**	01/01/2014-31/12/2014
Purchase of subsidiaries' equity instruments	0	–1,699
Issuance of shares	2,853	0
Proceeds from corporate bond issuance	15,197	0
Repayments of corporate bonds	–10,150	0
Proceeds from other financial liabilities	33,325	38,318
Repayments of other financial liabilities	–37,305	–33,405
Cash flow from financing activities	**3,920**	**3,214**
Cash flow-related changes in cash and cash equivalents	**2,195**	**–5,591**
Cash and cash equivalents at beginning of period	6,444	12,035
Cash and cash equivalents at end of period	**8,639**	**6,444**
Cash flows contained in the cash flow from operating activities		
Income taxes paid	–287	–1,529
Income taxes received	17	0
Interest paid	–6,695	–3,476
Interest received	18	263
Dividends received	113	157

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(A) PRINCIPLES AND METHODS

1. GENERAL INFORMATION

The Wild Bunch Group (hereinafter "Wild Bunch") was formed from the merger between the German media group Senator Entertainment AG, Berlin, and the European film company Wild Bunch S.A., Paris, under the umbrella of Wild Bunch AG (formerly: Senator Entertainment AG), Berlin (hereinafter "Senator AG" or "Company") whose shares are listed in the General Standard segment of the Frankfurt Stock Exchange. Until 5 February 2015, Wild Bunch S.A., Paris, was the parent company of the Group.

The legal acquisition of Wild Bunch S.A., Paris, France, at the beginning of 2015 by Wild Bunch AG, Berlin (formerly Senator Entertainment AG, Berlin) is a reverse acquisition, therefore these consolidated financial statements represent a continuation of the consolidated financial statements of Wild Bunch S.A., Paris, France (see point 3 "Scope of consolidation and consolidation methods").

The new Group, established in Berlin and Paris, is a leading, independent European film distribution and production Company active in the area of acquisition, co-production, direct distribution and international sales of movies, and currently manages a film library with more than 2,200 film titles.

On 30 June 2015, the Annual General Meeting resolved that Senator Entertainment AG, Berlin, will operate under the name Wild Bunch AG in the future. The renaming was entered in the commercial register on 7 July 2015.

The Company has been entered under the commercial register number HR B 68059 B of the Local Court of Berlin-Charlottenburg. The registered office of Wild Bunch AG is at Knesebeckstrasse 59-61, 10719 Berlin, Germany.

The consolidated financial statements of Wild Bunch AG for the fiscal year ended 31 December 2015 were prepared by the Management Board on 21 September 2017, and then passed on to the Supervisory Board for review and approval.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with section 315a of the German Commercial Code (HGB) in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standard Board (ISAB) valid at the reporting date and recognized by the European Union (EU) and the IFRS interpretations approved by the IASB Interpreting Committee (IFRS IC). All IFRS/IAS and IFRIC/SICs, which were mandatory for the year ended 31 December 2015 were taken into account. In addition, the provisions of German commercial law applicable under Section 315a (1) HGB have been observed. Because of the possible non-compliance of the IFRS in the context of the acquisition of Continental Film S.A. in fiscal 2013, please refer to item 17 "Goodwill."

A list of subsidiaries, joint ventures and associates included in the consolidated financial statements is contained in this Annex. The effects of the initial consolidation and deconsolidation of subsidiaries, joint ventures and associates are presented in the „Consolidation and Consolidation Methods" section (see section 3).

The profit and loss account was prepared using the cost-of-sales method. The classification of the income statement, the balance sheet and the cash flow statement has been amended in line with the published consolidated financial statements 2014 in order to adapt to international practice. The previous year's figures have been adjusted accordingly.

The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation methods.

As a matter of principle, the consolidated financial statements are prepared using the acquisition cost principle on the basis of historical acquisition or production costs. This excludes derivative financial instruments and available-for-sale financial assets that are measured at fair value.

The consolidated financial statements of Wild Bunch AG for the financial year from 1 January to 31 December 2015 were adopted on the assumption of the Company's continuation.

The consolidated financial statements are prepared in euros, which is the functional and reporting currency of the Group's parent company. Unless otherwise stated, all values are rounded up or down to thousands (€ thousand) according to commercial rounding. For reasons of computation, rounding differences can occur to the mathematically exact values.

The consolidated financial statements and the Group management report are published in the Federal Gazette.

3. SCOPE OF CONSOLIDATION AND CONSOLIDATION METHODS

CHANGES IN THE SCOPE OF CONSOLIDATION

At the Extraordinary General Meeting on 12 September 2014, the increase in the share capital of Wild Bunch AG, Berlin (formerly Senator Entertainment AG) by € 55,872,788 was resolved through the issuance of 55,872,788 new shares against contribution in kind in connection with the transfer of shares in Wild Bunch S.A., Paris, France. The new shares were issued on 5 February 2015.

The transaction is to be considered a reverse acquisition in accordance with IFRS 3, so that Wild Bunch AG, Berlin, (formerly Senator AG) as the acquired company and Wild Bunch S.A., Paris, France, is the acquiring company.

According to IFRS 3, the date of acquisition is the date on which the control of the acquired company is transferred to the acquirer. It is therefore decisive for the determination of the date of acquisition at which point in time the relevant rights granted to the former shareholders of Wild Bunch S.A., Paris, France, by the issued Wild Bunch AG shares arise.

The right to vote arises pursuant to sec. Section 134 (2) AktG with the full performance of the contribution. However, this presupposes that the shares with which voting rights are based have been effective. Pursuant to Section 189 AktG, the capital increase was effective as of the date of entry into the Commercial Register on 5 February 2015, so that the Wild Bunch AG shares granted the voting rights were created for the shareholders of Wild Bunch S.A., Paris, France.

For this reason, the present consolidated financial statements represent a continuation of the consolidated financial statements of Wild Bunch S.A., Paris, France, whereby the formal legal capital of the accounting acquirer was adjusted to reflect the shareholders' equity in the acquired company. The comparative information presented in these consolidated financial statements is that of Wild Bunch S.A., which has also been adjusted retroactively to reflect the formal legal capital of Wild Bunch AG, Berlin (formerly Senator AG). As a result, only the figures of Wild Bunch S.A., Paris, France, and its subsidiaries are shown in the statement of comprehensive income as of 1 January 2015, up to the acquisition date on 5 February, As of 5 February, Wild Bunch AG, Berlin (formerly Senator AG) and its current subsidiaries were included in the scope of consolidation. For reasons of simplification, the figures were used for consolidation from 1 February 2015.

As part of the inclusion of Wild Bunch AG, Berlin (formerly Senator AG) and its subsidiary companies in the scope of consolidation, a purchase price allocation was carried out, which is shown in Annex 4.

Wild Bunch S.A., Paris, France, and Wild Bunch AG, Berlin (formerly Senator AG) each hold 50% of the shares in Central Film Verleih GmbH, Berlin. The Wild Bunch Group holds 100% of the shares in Central Film Verleih GmbH through the aforementioned contribution of shares in Wild Bunch S.A., Paris, France, to Wild Bunch AG (formerly Senator AG). From 5 February 2015, the financial statements of Central Film Verleih GmbH will be fully consolidated in the consolidated financial statements. In the previous year and until the acquisition date in 2015, this company was consolidated at equity.

INFORMATION ON THE SCOPE OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Wild Bunch AG and the subsidiaries it controls as of 31 December 2015. Control exists when the Group has a risk of or a claim to fluctuating rents from its exposure to the investment company and can also use its power of attorney through the investment company to influence these renders. In particular, the Group controls a holding company and only if it has all the following properties:

- the power of representation through the investment company (i.e. the Group has the option of controlling those activities of the investment company which have a significant influence on its yield) due to current rights;
- a risk exposure or a claim to fluctuating returns from its exposure to the investment firm and
- the ability to use its power of representation through the investment firm of the form, thereby affecting the return of the investment company.

If the Group does not hold a majority of the voting rights or similar rights in a participating company, it takes into account all relevant facts and circumstances when assessing whether it has the power of representation for that holding company. These include, among other items:

- A contractual agreement with the other voters,
- Rights resulting from other contractual agreements,
- Voting rights and potential voting rights of the Group.

If, on the basis of facts and circumstances, it becomes clear that one or more of the three control elements have changed, the Group must re-examine whether it dominates an investment company. The consolidation of a subsidiary begins on the day on which the Group acquires control over the subsidiary. It ends when the Group loses control over the subsidiary. The assets, liabilities, income and expenses of a subsidiary acquired or sold during the period under review will be recognized in the balance sheet or net income as of the date on which the Group acquires control over the subsidiary until the date on which control ceases of the statement of comprehensive income.

The profit or loss and any component of other comprehensive income is attributable to holders of ordinary shares of the parent company and non-controlling interests, even if this results in a negative balance of non-controlling interests.

A change in the equity interest in a subsidiary without loss of control is recognized as an equity transaction. If the parent company loses control of a subsidiary, the following steps are carried out:

- Derecognition of the assets (including goodwill) and the liabilities of the subsidiary,
- Derecognition of the carrying amount of non-controlling interests in the former subsidiary,
- Derecognition of cumulative translation differences recognized in equity,
- Recognition of the fair value of the consideration received,
- Recognition of the fair value of the remaining equity interest,
- Recognition of surpluses or deficits in profit and loss accounts,
- Reclassification of the components of the other comprehensive income to the parent company into the profit or loss account or to retained earnings, as would have been necessary if the Group had sold the corresponding assets or liabilities directly.

SHARES IN ASSOCIATES OR JOINT VENTURES

An associate is a company over which the Group has significant influence. Significant influence is the possibility of participating in the financial and commercial policy decisions of the investment company, but not the control or the joint management of the decision-making processes.

A joint venture is a joint agreement whereby the parties exercise Community control and have Community rights on the net assets.

The Group's shares in an associate or joint venture are accounted for using the equity method.

Under the equity method, the shares in an associate or joint venture are initially recognized at acquisition cost. The carrying amount of the investment is adjusted to reflect changes in the Group's share of the net assets of the associated company or joint ventures since the acquisition date. The goodwill associated with the associated company is included in the carrying amount of the share and is neither amortized nor subjected to a separate impairment test.

The profit and loss account contains the Group's share of the profit or loss of the associate or joint venture. Changes in the other income of these affiliates are recognized in the other income of the Group. In addition, changes recognized directly in the equity of the associate or joint venture are recognized by the Group in the amount of its share and, if necessary, shown in the statement of changes in equity. Unrealized gains and losses on transactions between the Group and the associate or joint venture are eliminated according to the proportion of the associate or joint venture.

The Group's total share in the result of an associate or joint venture is presented in the income statement and is the result after taxes and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared as of the same reporting date as the consolidated financial statements. Where necessary, adjustments are made to uniform accounting policies.

After applying the equity method, the Group determines whether it is necessary to recognize an impairment loss for its shares in an associate or joint venture. On each reporting date, the Group determines whether there are objective indications as to whether the Group's net investment in an associate or joint venture could be impaired. If such indications exist, the amount of the impairment is determined as the difference between the recoverable amount of the share of the associate or joint venture and the carrying amount, and the loss is recognized as "impairment on financial assets."

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The acquisition costs of a company acquisition are measured as the sum of the transferred consideration, measured at fair value at the time of acquisition, and the non-controlling interest in the acquired company. In each business combination, the Group decides whether to assess the non-controlling interest in the acquiree at the fair value or the proportion of the identifiable net assets of the acquired company. Expenses incurred in connection with the business combination are recorded as expenses and reported as administrative costs.

In the case of successive business combinations, the equity interest previously held by the acquirer in the acquiree is remeasured at the fair value at the time of acquisition and the resulting gain or loss recognized in profit or loss. It is then taken into account when determining the goodwill.

Goodwill is initially measured at acquisition cost, which is measured as the surplus of the total consideration transferred and the non-controlling interest portion and the shares held earlier in the acquired identifiable assets and liabilities assumed by the Group. If the fair value of the acquired net asset value exceeds the transferred total consideration, the Group again assesses whether it has correctly identified all acquired assets and all liabilities assumed and checks the procedures used to determine the amounts recognized at the time of acquisition have to. If the fair value of the acquired net assets after the revaluation still exceeds the transferred total consideration, the difference is recorded in the profit and loss account.

After first-time recognition, the goodwill is valued at acquisition costs less cumulative impairment losses. For the purposes of the impairment test, goodwill acquired as part of a business combination is allocated from the acquisition date to the Group's cash-generating units, which are expected to benefit from the business combination as expected.

If a goodwill has been allocated to a cash-generating unit and a division of this unit is sold, the goodwill attributable to the business area sold is taken into account as part of the book value of the business area when determining the result from the disposal of this business area. The value of the sold portion of the goodwill is determined on the basis of the relative values of the divested business area and the remaining part of the cash-generating unit.

SCOPE OF CONSOLIDATION

The composition of the scope of consolidation of the Wild Bunch Group as of 31 December 2015 is shown in the following table:

	31 Dec 2015	31 Dec 2014
Fully consolidated companies		
Domestic	12	1
Foreign	16	14
Shares in associates and joint ventures		
Domestic	2	1
Foreign	2	2
	32	**18**

The following companies were included in the consolidated financial statements:

Ser. no.	Fully consolidated companies	Seat	Main business activity	Share in% 2015	Share in% 2014	Held through	See footnote for further information
Domestic							
1	Wild Bunch AG	Berlin	Holding	–	–	–	–
2	Wild Bunch Germany GmbH	Munich	Distribution	88.0	88.0	13	–
3	Senator Film Produktion GmbH	Berlin	Production	100.0	–	1	1. 2
4	Senator Film Verleih GmbH	Berlin	Distribution	100.0	–	1	1. 2
5	Senator Home Entertainment GmbH	Berlin	Distribution	100.0	–	1	1. 2
6	Senator Finanzierungs- und Beteiligungs GmbH	Berlin	Holding	100.0	–	1	–
7	Senator Film Köln GmbH	Cologne	Production	100.0	–	1	1. 2
8	Senator MovInvest GmbH	Berlin	Financing	100.0	–	1	1. 2
9	Senator Film München GmbH	Munich	Production	100.0	–	1	1. 2
10	Senator Reykjavik GmbH	Berlin	Production	100.0	–	3	–
11	Central Film Verleih GmbH	Berlin	Distribution	100.0	50.0	1. 13	4
12	deutschfilm GmbH	Berlin	Production/ Distribution	50.0	–	1	–
Foreign							
13	Wild Bunch S.A.	Paris, France	Holding and International sales	100.0	–	1	–
14	BIM Distribuzione s.r.l.	Rom, Italy	Distribution	100.0	100.0	13	–
15	Bunch of Talents SAS	Paris, France	Other	80.0	80.0	13	–
16	Continental Films SAS	Paris, France	Distribution	100.0	100.0	13	–
17	Elle Driver SAS	Paris, France	International sales	95.0	95.0	13	–
18	Eurofilm & Media Ltd.	Killaloe, Ireland	Distribution	100.0	–	1	–
19	EWB2 SAS	Paris, France	Distribution	100.0	100.0	13	–

Ser. no.	Fully consolidated companies	Seat	Main business activity	Share in% 2015	2014	Held through	See footnote for further information
20	EWB3 SAS	Paris, France	Distribution	100.0	100.0	13	–
21	Filmoline SAS	Paris, France	SVOD and VOD sales	90.0	90.0	13	–
22	Wild Bunch Austria GmbH	Vienna, Austria	Distribution	100.0	–	4	–
23	Versatile SAS	Paris, France	International sales	95.0	95.0	13	–
24	Vértigo Films S.L.	Madrid, Spain	Distribution	80.0	80.0	13	–
25	Virtual Films Ltd.	Dublin, Irland	Distribution	100.0	100.0	13	–
26	Wild Bunch Distribution SAS	Paris, France	Distribution	100.0	100.0	13	–
27	Wild Side Film SAS	Paris, France	Distribution	100.0	100.0	13	–
28	Wild Side Video SAS	Paris, France	Distribution	100.0	100.0	13	–

Ser. no.	Share in associates and joint ventures	Seat	Main business activity	Share in%		Held through	See footnote for further information
Domestic							
29	Bavaria Pictures GmbH	Munich	Production	50.0	–	9	3
30	X Verleih AG	Berlin	Distribution	31.4	–	1	3
Foreign							
31	Capricci World	Nantes, France	Holding	33.0	33.0	13	3
32	Circuito Cinema s.r.l.	Rome, Italy	Distribution	34.4	37.5	14	3

[1] Profit transfer agreement with the parent company
[2] Section 264 para. 3 HGB was applied
[3] At-equity approach
[4] was included at-equity in the consolidated financial statements until 31 January 2015

Against the backdrop of the difficult economic situation and the liquidity situation of deutschfilm GmbH, as well as the existing company law regulations and subsidiary agreements with the coowner of deutschfilm GmbH, Wild Bunch AG took control of the deutschfilm GmbH as of 31 December 2013. The company is therefore fully integrated into the consolidated financial statements.

4. ACQUISITION OF WILD BUNCH AG, BERLIN

At the Extraordinary General Meeting on 12 September 2014, the increase in the share capital of Wild Bunch AG, Berlin (formerly Senator Entertainment AG) was € 55,872,788 through the issue of 55,872,788 new shares against contributions in connection with the contribution of shares in Wild Bunch S.A., Paris, France. The new shares were issued on 5 February 2015.

The legal acquisition of Wild Bunch S.A., Paris, France, by Wild Bunch AG, Berlin (formerly Senator Entertainment AG, Berlin) represents a reverse acquisition according to IFRS 3. This results from the fact that the contributions in the form of the Shares in Wild Bunch S.A., Paris, France, the former shareholders of Wild Bunch S.A., Paris, France, have received the majority of the voting rights in the merged company and the original shareholders of the company have only retained 24.8% of the votes. As a consequence of this, Wild Bunch S.A., Paris, France, as the balance sheet acquirer and Wild Bunch AG, Berlin, must be presented as an acquired company as from the date of acquisition.

The fair value of the acquired company (Wild Bunch AG, formerly Senator Enter- tainment AG) is determined by the share price of € 1.84 per share at Wild Bunch AG, Berlin on 5 February 2015, thus totaling 18,457,227 shares € 33,961,297.68.

According to IFRS 3.IE5, the fair value of the consideration or, in this case, the acquisition costs, must be determined according to the „most reliable measure". The fair value is calculated according to IFRS 13.24 to the value that would be achieved on the main market or the most favorable market in a normal transaction when the assets were sold. The shares of Wild Bunch S.A., Paris, France, however, are not traded on a market, so that the share of the shares of Wild Bunch AG is to be determined based on the current price.

As a result of the reverse acquisition, these consolidated financial statements represent a continuation of the consolidated financial statements of Wild Bunch S.A., Paris, France, retroactively adjusting the formal legal capital of the accounting acquirer to reflect the formal legal capital of the company acquired on the balance sheet. The comparative information presented in these consolidated financial statements is that of Wild Bunch S.A., which has also been adjusted retroactively to reflect the formal legal capital of Wild Bunch AG, Berlin (formerly Senator AG). As a result, only the figures of Wild Bunch S.A., Paris, France and its subsidiaries are shown in the statement of comprehensive income as of 1 January 2015, up until the acquisition date on February 5, 2015. As of 5 February, Wild Bunch AG, Berlin (formerly Senator AG) and its current subsidiaries were included in the consolidation group. For reasons of simplification, the figures were used for consolidation from 1 February 2015 on.

A purchase price allocation was carried out as part of the inclusion of Wild Bunch AG, Berlin, (formerly Senator AG) and its subsidiaries in the scope of consolidation, which is shown below. This purchase price allocation was finalized in September 2015.

According to IFRS 3, the acquired (proportionate) net assets are to be determined and the purchase price divided between the acquired assets, liabilities and contingent liabilities, as determined on the initial consolidation date and the acquisition costs of the acquired business (Wild Bunch AG, Berlin). A remaining difference is to be recognized as goodwill or as a negative difference in income.

Criteria for the recognition of assets and liabilities that must be cumulatively fulfilled:

- Reliable measurability of the fair value
- Probable benefit or probable resource outflow
- Identifiable assets or liabilities.

The fair value of the identifiable assets and liabilities of the Group as of the acquisition date is as follows:

	in € thousand
Non-current assets	
Intangible assets	9,094
Property, plant and equipment	227
Financial investments	1,310
Current assets	
Stocks	999
Trade receivables	4,658
Other financial assets	3,086
Receivables from income taxes	336
Other assets	1,638
Liquid	6,758
Total assets	**28,106**
Non-current liabilities	
Financial liabilities	900
Current liabilities	
Other provisions	13,917
Financial liabilities	17,159
Liabilities from goods and services	12,955
Other liabilities	8,444
Total provisions and liabilities	**53,375**
Total of the identified net assets at fair value	**–25,269**
Acquisition costs	**33,961**
Fair value of the equity held in Central Film Verleih GmbH	**4,400**
Goodwill	**63,630**

No intangible assets with indefinite useful lives were acquired.

The gross carrying amount of the acquired trade receivables amounted to € 7,159 thousand. Impairment losses of € 2,501 thousand were recorded. No value adjustments were made to the other financial assets acquired, the advance payments made and other assets.

Goodwill in the amount of € 63,630 thousand reflects, among other items, the value for a stronger market position and associated rising revenues from existing and new revenue sources, for example through the development of new formats in the TV sector. In addition, the goodwill reflects potential synergy effects. It is assumed that the goodwill recognized is not tax-deductible.

In the context of the reverse transaction, Wild Bunch S.A., Paris indirectly acquired the remaining 50% of the shares in Central Film Verleih GmbH, which are held by Wild Bunch AG, Berlin. The value already attributed to the shares held by Wild Bunch S.A. in Central Film Verleih GmbH totaled € 4,400 thousand. The fair value of the newly acquired shares as of the acquisition date amounted to € 4,400 thousand, the total net assets acquired at fair value amounted to € 466 thousand, the resulting goodwill € 3,934 thousand.

The consolidated financial statements for 2015 included revenue of € 14,344 thousand and profit of € 483 thousand from the acquired Wild Bunch AG and its subsidiaries, which existed at the time of acquisition, and Central Film Verleih GmbH. A total of approximately € 1 million was booked for the capital increase against the capital reserves in the fiscal year. Otherwise, no further costs have been incurred. If Wild Bunch AG (formerly Senator AG) and its subsidiaries acquired on 5 February 2015 had already been included in the consolidated financial statements as of 1 January 2015, they would have had revenues of € 16,088 thousand in fiscal year 2015 and contributed a result of € -19.234 thousand.

Wild Bunch S.A., Paris, France, and Wild Bunch AG, Berlin, (formerly Senator AG) each hold 50% of the shares in Central Film Verleih GmbH, Berlin. The Wild Bunch Group holds 100% of the shares in Central Film Verleih GmbH through the above-mentioned contribution of shares in Wild Bunch S.A., Paris, France, to Wild Bunch AG (formerly Senator AG). From 5 February 2015, the financial statements of Central Film Verleih GmbH will be fully consolidated in the consolidated financial statements. In the previous year and until the acquisition date in 2015, this company was consolidated at equity. The identifiable assets and liabilities of this company are included in the table above.

5. DISCRETION AND UNCERTAINTY

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported income, expenses, assets, liabilities, contingent liabilities and contingent assets at the time of the accounting. These estimates and assumptions are based on management's best judgment based on past experience and other factors, including estimates of future events. The assessments and assumptions are reviewed on an ongoing basis. Changes in estimates are necessary, provided that the circumstances on which the estimates are based have changed or new information and additional findings become available. Such changes are recorded in the reporting period in which the estimate has been adjusted.

The most important assumptions about future development and the most important sources of uncertainties in the estimates which could require significant adjustments to the reported assets and liabilities, as well as the reported income, expenses and contingencies in the next twelve months, are shown below.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets with indefinite useful lives are tested for impairment at least once a year and if there are any indications of impairment. Film assets and other non-financial assets are tested for impairment if there are indications that the carrying amount exceeds the recoverable amount. In order to determine whether an impairment exists, estimates of the expected future cash flows per cash-generating unit are made from the use and potential disposal of these assets. The actual cash flows may differ materially from the discounted future cash flows based on these estimates. Changes in the sales and cash flow forecasts can result in an impairment (item 18 "Intangible assets and property, plant and equipment").

IMPAIRMENT OF SHARES IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER COMPANIES

Investments in companies accounted for using the equity method and other companies are tested for impairment if there are indications that the carrying amount exceeds the recoverable amount. In order to assess whether impairment exists, estimates are made of the expected future cash flows per cash-generating unit from the use and potential disposal of these assets. The actual cash flows may differ materially from the discounted future cash flows based on these estimates. Changes in the sales and cash flow forecasts can result in an impairment.

IMPAIRMENT OF RECEIVABLES

As of the balance sheet date, the Group recorded receivables whose maturity amounts to more than 120 days. On the basis of empirical values and objective indications, valuation adjustments were made for these receivables, the amount of which is deemed appropriate by management. From these estimates, uncertainty arises that unanticipated losses on receivables should be recognized in future periods (item 23 "Trade receivables").

PROVISIONS FOR EXPECTED GOODS RETURNS

The Group's provisions for anticipated returns are based on the analysis of contractual or legal obligations and historical developments as well as the Group's experience. Based on the information available at the time, the management considers the accrued provisions to be appropriate. Since these provisions also include past experience, they may need to be adapted as new information becomes available. Such adjustments could have an impact on the accruals for future reporting periods (item 31 "Other provisions").

LIABILITIES FROM LICENSOR SHARES

The Group companies are exposed to various demands from licensors regarding their shares from the marketing of film rights. At the present time, the Group assumes that the liabilities cover the risks. However, further claims could be raised, the costs of which are not covered by the existing liabilities. Such changes may affect the liabilities recognized in future reporting periods for licensor shares (item 34 "Other liabilities").

FAIR VALUES IN THE CONTEXT OF THE REVERSE ACQUISITION

All of the identifiable assets and liabilities in the context of the merger between Senator Entertainment AG and Wild Bunch S.A. were initially recognized at their fair value. The adjusted time values are subject to uncertainties. In the case of the identified intangible assets, the fair value was determined by means of generally accepted valuation procedures.

ACCEPTANCE OF COMPANY CONTINUATION

The consolidated financial statements of the company are prepared under the assumption of the company's continuation.

To secure the liquidity situation, the Wild Bunch Group concluded a credit agreement with the London-based bank Leumi Plc (UK) on 5 April 2017 for a revolving credit line of € 30 million. The credit line, which runs until 2019, allows the German, Italian and Spanish companies of the Wild Bunch Group as well as Wild Bunch AG to repay existing finance and to finance their current business. A first drawing of around € 20 million was made on 18 July 2017. In addition, an increase in the credit line was made by the French companies' membership, with the condition of the occurrence of additional conditions of up to € 100 million in the contract intended; for the use of the extended credit line, a renewed approval is required from Bank Leumi Plc (UK) and, as the case may be, other syndicate banks (see notes on liquidity risks at risk under section 5.1.3 of the group management report).

In addition, there was a clear overhang of current liabilities as well as existing obligations for future film purchases in relation to current assets on the balance sheet date. In addition to the implementation of the credit agreement with Bank Leumi, the Company has initiated further measures to reduce this shortfall. In fiscal year 2016, negotiations were held with suppliers and new payment targets were agreed in part. Additional measures aimed at improving the balance sheet structure, e.g. through capital measures, are planned.

We also refer to the comments in the management report on the liquidity risks posed to the portfolio that jeopardize the Company's existence.

6. ADJUSTMENT OF THE PREVIOUS YEAR'S FINANCIAL STATEMENTS IN ACCORDANCE WITH IAS 8.41

In connection with the transaction between Wild Bunch S.A., Paris, and Wild Bunch AG, Berlin, (formerly: Senator Entertainment AG, Berlin) in the spring of 2015, the Group identified the following errors in accounting. The errors were retrospectively corrected in accordance with IAS 8.

The Group holds a stake in Circuito Cinema s.r.l., Rome. In the context of the merger in the spring of 2015, the Group has determined that an impairment test of the interest in the past consolidated financial statements has not been carried out. The error was corrected.

In fiscal year 2013, the Group acquired a 50% stake in Continental Films S.A. to increase its holdings to 100%. In connection with this transaction, the equity of the Group was reduced by the acquisition of treasury stock and a restructuring of the debt financing of Continental Films S.A. performed. As part of the distribution of the purchase price on the acquired net assets, deferred tax assets on loss carry forwards of Continental Films S.A. in the amount of EUR 17,917 thousand were allocated. Since Continental Films S.A. can be expected to generate a series of losses in the near future and there was no tax planning calculation at the time of acquisition, the recognition of a corresponding asset was incorrect. This error has been corrected.

For the evaluation of acquired film rights, the Group distributes licensor shares to the producers of the films. These licensor shares are generally due only upon reaching an agreed minimum guarantee and marketing costs. In the past, liabilities for licensor shares were already recognized on the basis of an estimate with the first turnover. This error has been corrected so that liabilities are only recorded when the minimum guarantee and marketing costs are reached. As a result of these changes, depreciation was also adjusted as this is formed according to the expected net redemptions. In addition, estimation changes regarding the expected net proceeds were not considered prospectively, but retrospectively, as required by IAS 8.36. This error has also been corrected.

Various reclassifications were recorded under „Other". For example, the Group recorded sales from an agency contract as gross sales revenues and showed the correspon- ding cost of production of the services provided to generate the sales revenues in 2014. In the case of an agency contract, only the commission is shown in the sales revenue. All other revenues and costs related to the agency contract must be reported to the contractor. Furthermore, the Group's current account balances with the liquid funds at the balance sheet date were balanced. The errors were corrected.

The errors were corrected by adjusting the income statement and the balance sheet items as follows (decrease (-)):

2014

in € thousand	Circuito Cinema	Goodwill Continental	Valuation of film rights	License fee payments	Other	**Total in 2014**
Revenue and other income from the film business	0	0	0	0	−4,474	−4,474
Cost of goods sold for the purpose of generating sales	0	0	2,277	3,478	−4,474	1,281
Gross profit	0	0	−2,277	−3,478	0	−5,755
Operating result	0	0	−2,277	−3,478	0	−5,755
Write-ups on financial assets	2,136	0	0	0	0	2,136
Earnings before income taxes	2,136	0	−2,277	−3,478	0	−3,619
Taxes on income and income	−670	0	845	1,162	0	1,337
Earnings	1,465	0	−1,432	−2,316	0	−2,282
Result of non-controlling shareholders	0	0	−123	−2	0	−125
Earnings share of shareholders of Wild Bunch AG	1,465	0	−1,309	−2,314	0	−2,157

31/12/2014

in € thousand	Circuito Cinema	Goodwill Continental	Valuation of film rights	License fee payments	Other	**Total 31/12/2014**
Goodwill	0	17,917	0	0	0	17,917
Film rights	0	0	–5,395	0	0	–5,395
Financial investments	–4,254	0	0	0	0	–4,254
Liabilities	0	0	0	–6,343	0	–6,343
Active tax deferrals	0	–17,917	0	–2,110	0	–20,027
Passive tax deferrals	–1,336	0	–1,746	0	0	–3,082
Impact on equity	–2,918	0	–3,649	4,233	0	–2,334
Thereof attributable to shareholders of Wild Bunch AG	–2,918	0	–3,542	4,229	0	–2,231
Thereof attributable to other shareholders	0	0	–107	4	0	–103

01/01/2014

in € thousand	Circuito Cinema	Goodwill Continental	Valuation of film rights	License fee payments	Other	**Total 01/01/2014**
Goodwill	0	17,917	0	0	0	17,917
Film rights	0	0	–3,118	0	0	–3,118
Financial investments	–6,390	0	0	0	0	–6,390
Liabilities	0	0	0	–9,821	0	–9,821
Active tax deferrals	0	–17,917	0	–3,272	0	–21,189
Passive tax deferral	–2,006	0	–901	0	0	–2,907
Impact on equity	–4,384	0	–2,217	6,548	0	–52
Thereof attributable to shareholders of Wild Bunch AG	–3,025	0	–2,233	6,542	0	1,285
Thereof attributable to other shareholders	–1,359 [1]	0	16	6	0	–1,337

[1] In 2014, the EUR -882 thousand are for the acquisition of the remaining shares in BIM Distribuzione s.r.l. from equity of the non-controlling shareholders.

The changes have no effect on the Group's other comprehensive income for the period or cash flows from operating activities, investing activities or financing activities.

7. ACCOUTING POLICIES

The accounting and valuation methods applied Group-wide in fiscal year 2015, which are presented in the following, remained unchanged compared to the prior year.

The balance sheet was structured according to current and non-current assets and liabilities, whereby all assets and liabilities expected to be realized within 12 months after the balance sheet date are considered current. All other assets or liabilities are classified as non-current. Funding for projects is primarily secured by rights from these projects.

The Group has applied certain standards and amendments to be applied to financial years beginning on or after 1 January 2015 for the first time. The Group has not applied any other standards, interpretations or amendments that have been published but have not yet become effective.

The nature and effects of the individual new standards and amendments are described below.

A detailed description of the amendments to the following new standards has been waived as these are not relevant for the consolidated financial statements and therefore have no effect on the consolidated financial statements:

Standards/ amendments/ interpretations	Mandatory for reporting periods beginning on or after
IFRIC 21 Levies	17 June 2014
Annual Improvements to IFRS 2011-2013 Cycle	1 January 2015

STANDARDS RELEVANT TO THE FUTURE CONSOLIDATED FINANCIAL STATEMENTS OF WILD BUNCH AG

IASB and the IFRIC have issued new and amended standards and interpretations which were not yet mandatory in the reporting period and were not yet partly incorporated into EU law. The Group intends to apply these standards and interpretations as soon as they become mandatory.

Standard/Interpretation	Date of the EU Endorsement	(expected) Mandatory application in the EU
Amendments to IFRS 2: Clarification of the classification and measurement of transactions with share-based compensation	Not yet adopted	1 January 2018
Amendments to IFRS 4: Application of IFRS 9 "Financial Instruments" together with IFRS 4 "Insurance Contracts"	Not yet adopted	1 January 2018
IFRS 17 "Insurance Contracts"	Not yet adopted	1 January 2021
Clarification IFRS 15 "Revenues from contracts with clients"	Not yet adopted	1 January 2018
Annual improvement project "Improvements to IFRSs 2014-2016 Cycle"	Not yet adopted	1 January 2018
IFRIC 22 "Transactions in foreign currency and considerations paid in advance"	Not yet adopted	1 January 2018
Amendment to IAS 40 "Transfer of Investment Property"	Not yet adopted	1 January 2018
IFRIC 23 "Uncertainty concerning income taxes"	Not yet adopted	1 January 2019
IFRS 9: New standard "Financial Instruments": Classification and valuation of financial instruments	22 November 2016	1 January 2018
IFRS 14: New standard "Regulatory Accruals"	Adoption not recommended	open
IFRS 15: New standard "Revenues from contracts with customers" including clarifications from 12 April 2016	22 September 2016	1 January 2018
IFRS 16: New standard "Leases"	Not yet adopted	1 January 2019
Amendment to IAS 1 "Information initiatives"	18 December 2015	1 January 2016
Amendment to IAS 19: Defined benefit plans: Employee contributions (Amendments to IAS 19 'Employee benefits'	17 December 2014	1 February 2015
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment companies: Application of the consolidation exception	22 September 2016	1 January 2016
Amendments to IFRS 11 Accounting for acquiring shares in a community activity	24 November 2015	1 January 2016
Amendments to IAS 7: Information initiative – Transfer of liabilities from financing activities	Not yet adopted	1 January 2018
Amendments to IAS 12: Recognition of deferred tax assets for unrealized losses	Not yet adopted	1 January 2018
Amendments to IAS 16 and IAS 38 Clarification of acceptable depreciation methods	2 December 2015	1 January 2016
Amendments to IAS 16 and IAS 41 Agriculture: Fruit-bearing plants	23 November 2015	1 January 2016

Amendments to IAS 27 Equity method in separate financial statements	18 December 2015	1 January 2016
Amendments to IFRS 10 and IAS 28 Sale or transfer of assets between an investor and an associate or joint venture	Has been postponed indefinitely by the IASB	open
Annual improvement project "Improvements to IFRSs 2010 – 2012 Cycle"	17 December 2014	1 February 2015
Annual improvement project "Improvements to IFRSs 2012 – 2014 Cycle"	15 December 2015	1 January 2016

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 introduces a uniform approach for classifying and measuring financial assets. The standard is based on the characteristics of the cash flows and the business model by which these cash flows are managed. IFRS 9 provides a new impairment model that is based on the expected credit defaults. The standard contains new regulations on the application of hedge accounting in order to better present the risk management activities of an entity, in particular with regard to the management of non-financial risks. The new standard is effective for reporting periods beginning on or after 1 January 2018; early adoption is permitted subject to an EU endorsement.

The Group intends to apply the new standard on the prescribed date of entry into force. In fiscal year the 2016 financial year, the Group carried out a preliminary assessment of the effects of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may change as a result of further detailed analyses or additional reasonable and reliable information that will be made available to the Group in the future. Overall, the group does not expect any material effects on its balance sheet and equity, except for the effect of applying the impairment provisions in IFRS 9. The Group expects higher risk-taking provisions to be formed on the basis of the premise in the new regulation that future losses will be recognized which would have a negative impact on equity. A detailed assessment will be carried out in the future in order to determine the extent of these impacts.

In the fiscal year, Wild Bunch AG used derivative financial instruments to hedge foreign currency fluctuations in purchases of film rights in foreign currencies. These are mainly made in US dollars. The foreign exchange risk arises from the fact that the income from the utilization of these rights is exclusively incurred in EUR. Since IFRS 9 does not provide for an amendment to the general principles of how an entity has to recognize effective hedging relationships, the Group does not expect the application of IFRS 9 to have a significant impact on its financial statements.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

According to this new standard, revenue should be recognized upon transfer of the promised good or service to the customer in the amount of the consideration that the entity expects to be entitled to receive from the transaction. Revenue is recognized when the customer receives the power of disposal over the goods or services. IFRS 15 also contains guidance on the presentation of contract assets or contract liabilities. Contract assets and contract liabilities arise from contracts with customers depending on the relationship between the entity's performance and the customer's payment. In addition, the new standard obliges entities to disclose qualitative and quantitative information to enable readers of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" as well as the associated interpretations. The standard is effective for reporting periods beginning on or after 1 January 2018; early adoption is permitted subject to an EU endorsement.

In fiscal year 2016, the Group carried out a preliminary assessment of IFRS 15, which may change as a result of further detailed analysis. In addition, the Group takes account of the clarifications published by IASB in April 2016 and will monitor further developments in the interpretation of IFRS 15.

The Group is an independent European film distribution and production company operating directly in France, Italy, Germany, Spain and Austria, worldwide, as well as financing co-productions and the electronic direct distribution of films and TV series. Film rights are, in principle, sold individually in contracts with customers.

The Group has come to the conclusion that the services are not provided over a period of time as the customer is fully entitled to the benefit of the contracts from a certain point in time. On this basis, the Group's revenues from these contracts would continue to refer to a certain point in time and not to a period of time.

The presentation and disclosure requirements of IFRS 15 go far beyond the provisions of the current standards. The new presentation requirements are a major change compared to the current practice and require much more information in the consolidated financial statements in the future. IFRS 15 requires quantitative and qualitative disclosures on the breakdown of revenues, service obligations and contract terms as well as to significant discretionary decisions and capitalized contract costs. Many of these specifications are completely new.

IFRS 16 "LEASES"

IFRS 16 replaces IAS 17 "Leases" and the associated interpretations. According to the new regulation, lessees are required to account for all leases in the form of a right of use, and a corresponding leasing liability. A lease contract exists if the fulfilment of the contract depends on the use of an identifiable asset, and the customer simultaneously acquires control of this asset. The presentation in the income statement is essentially a finance lease transaction, so the right of use usually depreciates on a straight-line basis, and the leasing liability is updated using the effective interest method. Leases with a total term of a maximum of twelve months, and leases of so-called low – value assets (purchase price of up to US$ 5,000) are excluded from this principle. In such cases, the lessee has the option of selecting an accounting method which is similar to that of the previous operating leases. IFRS 16 is to be applied to fiscal years starting on or after 1 January 2019. Early application is permitted, as long as IFRS 15 has already been applied. The EU endorsement of IFRS 16 is still pending. The application of IFRS 16 will lead to future leases being recognized in the balance sheet.

The Group intends to apply the new standard on the prescribed date of entry into force. Based on initial analysis, the following effects were determined. However, the analysis has not yet been completed and has been constantly updated by the Group in light of the development of the interpretatuion of IFRS 16.

The Group has so far largely concluded operating lease agreements for movable assets (multifunctional printers) and real estate (office spaces). To date, payment obligations for operating leases are only disclosed in the notes. In the future, however, the rights and obligations arising from these leases are to be recognized as an asset (right to use the leased object) and liability (leasing liability) in the balance sheet. The Group expects an increase in the balance sheet total at the date of initial application.

With regard to the extent to which leasing agreements to be included in the balance sheet in the future periods on the side of lessees, we also refer to point 43 (Other financial obligations and contingent liabilities).

Up to now, expenses from operating leases are reported with the item other operating expenses in the profit and loss account. In the future, depreciation on the right to use and interest expenses for leasing liabilities will be reported instead.

Up to now, payments for operating leases have been reported with the item cash flow from operating activities in the cash flow statement. In the future, payments for operating leases will be divided into interest payments and principal payments. While the interest payments are still reported in the cash flow from operating activities, the principal payments will be allocated to the cash flow from financing activity.

No further detailed presentation of new or amended standards or interpretations is being provided in the following since the effects of their first-time application on the presentation of the Group's net assets, financial position and earnings position are likely to be of minor significance.

FOREIGN CURRENCY CONVERSION

The functional currency of Wild Bunch AG and the reporting currency of the Group is the euro. Transactions in currencies that do not correspond to the functional currency of the respective Group entity are reported by the entities by applying the exchange rate valid on the transaction date. Monetary assets and liabilities are translated at closing rate on the reporting date.

Gains and losses from the settling of such transactions, as well as gains and losses arising from the translation of monetary assets and liabilities, are reported directly through profit or loss.

The following exchange rates are applied for the translation of foreign currency items in the separate financial statements:

	Closing rate (based on € 1)	
	31 Dec 2015	31 Dec 2014
US dollar	1.0887	1.2141

Moreover, there are no significant balance sheet positions in other foreign currencies.

All of the foreign subsidiaries of Wild Bunch AG included in the consolidated financial statements in the fiscal year and in the prior year use the euro as their functional currency.

SEGMENTS

The Group is split into two segments/business units that are managed individually. Financial information on business segments and geographic segments is presented in note 39 "Segment reporting."

The distinction between the segments and segment reporting is made on the basis of internal reporting by the organizational units to Group management in relation to the allocation of resources and the measurement of profitability. The Group's segments are determined based on the organizational units, and the allocation of the organizational units to the segments is based on internal reporting to the management. The Group has the following segments:

- International Sales and Distribution and Film Production
- and Others.

Group functions are reported under income and expenses which cannot be allocated. These comprise the actual Group management itself, legal, Group accounting, controlling and IT.

MEASUREMENT OF FAIR VALUE

The Group assesses financial instruments, including derivatives and non-financial assets and liabilities that are measured at fair value on each reporting date.

The fair value is the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants on the measurement date (exit price).

This measurement assumes that the sale or transfer occurs on the primary market (market with the greatest volume) for this asset or liability. If a primary market is not available, the most beneficial market for the fair value measurement is utilized. The fair value of an asset or liability is measured based on the assumption that market participants act in their best economic interest when setting the price for the asset or liability. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The use of authoritative observable input factors should be as high as possible, while the use of input factors not based on observable data should be as low as possible.

All assets and liabilities that are measured or reported at fair value in the notes to the financial statements are allocated to the following fair value hierarchy levels based on the lowest input factor that is significant for measurement overall:

- Level 1: (Unadjusted) prices (e.g., stock market prices) listed on active markets for identical assets or liabilities for the Group on the measurement date
- Level 2: Input factors other than market prices included in Level 1 that are directly or indirectly observable for assets or liabilities (e.g., yield curves, forward exchange rates
- Level 3: Input factors that are not observable for the asset or liability (e.g., estimated future results).

Fair values are calculated on the basis of the hierarchy table.

The calculation of the fair value of non-current financial instruments that are measured at amortized cost for the disclosures in the notes to the financial statements is determined by discounting the expected future cash flows with the current prevailing interest rates for similar financial instruments with comparable residual terms, if level 1 measurement is not possible. The interest rates with appropriate maturities are calculated annually on the reporting date. In the case of debt instruments, proprietary default risk is also taken into account.

For assets and liabilities that are repeatedly measured at fair value, the Group determines in each case at the end of the reporting period as to whether transfers occurred between the levels of the fair value hierarchy and were based on the lowest input factor that is significant overall for measurement.

REVENUE RECOGNITION / PREPAYMENTS RECEIVED

In accordance with IAS 18, revenue is recognized if all of the following conditions are cumulatively fulfilled:

a. The Wild Bunch Group has passed the significant risks and rewards of ownership of the goods to the buyer,
b. the Wild Bunch Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the assets or rights sold,
c. the amount of revenue can be measured reliably,
d. it is sufficiently probable that economic benefits attributable to the sale will flow to the Group, and
e. the costs incurred and the costs to complete in respect of the transaction can be measured reliably.

Revenue is recognized when both the risks and rewards incidental to ownership and the economic and legal titles have been transferred. If the Company retains significant risks connected with ownership, the revenue resulting from the transaction is not recognized.

If the Group receives payments from licensees before revenue is recognized, these payments are initially booked as prepayments received.

Income and expenses that relate to the same transaction or the same other event are reported at the same time.

The individual sales transactions are explained in detail below:

1. International sales

In accordance with IAS 18, sales of rights (all exploitation stages in a licensed territory) made for a fixed fee are license sales (guaranteed minimum) to be considered in substance as a sale of goods and are recognized entirely when the majority of risks and benefits related to the distribution of the work are transferred to the customer.

For these sales, most of the risks and benefits related to distributing the work are considered transferred once all of the following events have taken place (Revenue realization for the minimum guarantee).

a. The license agreement with the defined terms has been signed by all of the parties and is enforceable.
b. The seller's obligations have been fulfilled, delivery has been made and material's compliance has been acknowledged.
c. The customer is able to use the right acquired without restriction.

The minimum guarantee is the amount for a film right that will not be repaid by the Group to a third party (e.g. distributor). If the third party's revenues exceed this minimum guarantee as well as the cost of marketing, agreed licensor's shares are recognized as sales as soon as they are confirmed in written form by the local lender.

2. Theatrical rights

Revenues from the distribution of films in theaters are recognized with theatrical release. Theatres submit reports stating the number of visitors and corresponding revenues.

Revenues from theatrical rights that are paid by cinema operators to the lender are determined on the basis of a percentage of the revenue from the sale of cinema tickets.

3. Home entertainment

Proceeds from the exploitation of video rights are accounted for based on monthly sales. At the end of the period, a provision is created for estimated returns and rebates granted contractually to clients. These provisions reduce revenues. Income from VOD and pay-per-view film offers is recognized upon receipt of the reports prepared by the operators, generally on a monthly basis.

4. Television rights (pay-TV and free TV)

The Wild Bunch Group treats license agreements for TV program material as the sale of a right or a group of rights.

Revenue from a license agreement for TV program material is reported if all of the following conditions have been satisfied:

a. The license fee for each film is known,

b. the costs of each film and the costs associated with the sale are known or can be measured reliably,

c. the collectability of the entire license fee is sufficiently certain,

d. the licensee accepted the film on the basis of the terms accompanying the license agreement,

e. the film is available for the first transmission or broadcast. Notwithstanding this, provided that a third-party license that overlaps with the sold license does not exclude use by the licensee, contractual limitations in the license agreement or another license agreement with the same licensor regarding the broadcasting date do not affect these conditions.

Revenues are recorded without invoiced turnover tax, price reductions and quantity discounts.

GOVERNMENT GRANTS

Project funding

A distinction is made in funding between project funding that comprises loans and project subsidies that are to be repaid under certain circumstances and film project funding granted as non-repayable subsidies based on the guidelines of the German Federal Commissioner for Culture and Media/BKM (German Federal Film Fund/DFFF).

Project funding as a loan that is to be repaid under certain conditions

Film project funding is granted in the form of non-interest-bearing loans that must be repaid under certain circumstances pursuant to the provisions of the German Film Subsidy Act or respective German regional state funding (e.g., Medienboard Berlin-Brandenburg funding guidelines). Such loans must be repaid as soon as and to the extent that the revenue generated by the producer from exploiting the film exceeds a certain level. These constitute government grants for assets. On the statement of financial position, the probable amount that will not need to be repaid is deducted from the carrying amount of the film asset.

The grants are reported through profit or loss over the exploitation cycle of the film applying a reduced amortization amount under capitalized development costs. The probable amount that will not need to be repaid can typically be determined on the date of cinema release. Should it be determined at a later date that a further portion of the loan has to be repaid, the carrying amount of the film asset is increased by this amount and a liability is also recognized. The additional depreciation that would have been recognized in the absence of the grant until this date is recognized directly in profit and loss.

Project subsidies

Project subsidies are grants to which a producer is entitled depending on number of visitors for a (reference) film to finance the project costs of a subsequent film. These constitute government grants for assets. In the statement of financial income, project subsidies granted are recorded under "Other film related income" when the revenues of the film that generate the subsidies are recorded. It is recognized under assets in the statement of financial position in "Other current assets."

Film project funding based on the BKm guidelines (DFFF)

Film project funding based on the BKM guidelines (DFFF) comprises loans that do not have to be repaid which are granted to reimburse the production costs of a cinema film when clearly defined preconditions are fulfilled.

These constitute government grants for assets. In the statement of financial position, film project funding granted is deducted from the carrying amount of the film on the date of the cinema release latest. In the fiscal year, EUR 648 thousand (prior year: EUR 0 thousand) in project subsidies were deducted from the production costs. The grants are capitalized as other receivables prior to the cinema release.

The grants are reported through profit or loss over the exploitation cycle of the film applying a reduced amortization amount under capitalized production costs.

Distribution funding

A distinction is made in funding between distribution funding in the form of loans that must be repaid under certain circumstances and sales subsidy funding in the form of grants that do not need to be repaid

Distribution funding as a contingent loan

Distribution funding is granted in the form of non-interest-bearing loans that must be repaid under certain circumstances pursuant to the provisions of the local film subsidy acts or respective regional funding guidelines (e.g. Medienboard Berlin-Brandenburg Förderrichtlinien). Such loans must be repaid if and when the distributor's revenue from exploiting the film exceeds a certain level.

These constitute government grants for expenses that have already been incurred, which are reported as a reduction of distribution costs to the amount that with reasonable certainty will not need to be repaid. In the fiscal year, the grants amounted to EUR 926 thousand (previous year: EUR 152 thousand). The grants are reported in the period in which the corresponding distribution costs are incurred.

The amount that with reasonable certainty will not need to be repaid can typically be determined on the date of cinema release. Should it be determined at a later date that a further portion of the loan has to be repaid, this amount is expensed and recorded as a liability.

Sales subsidies

Sales subsidies are non-repayable grants to which a distributor is entitled depending on the box office figures from a reference film for purposes of financing the release costs for a subsequent film or to finance part of a minimum guarantee of a subsequent film. These sales subsidies earned are reported as receivables from European, governmental or state funding institutions. Sales subsidies granted are reported through profit or loss as "Other film-related income".

Investment subsidies

Investment subsidies are recognized as liabilities. The investment subsidies are released to income on a straight-line basis over the useful life of the subsidized investments.

INTEREST

Interest is recognized as an income or expense item in the period to which it relates using the effective interest method as it arises. Please refer to the notes on borrowing costs for more information.

INCOME TAXES

The income tax expense represents the sum of current tax expenses and deferred taxes.

Current or deferred taxes are recognized in the consolidated income statement, unless they relate to items that are recognized either in other comprehensive income or directly in equity. In this case, current and deferred taxes are also recognized in other comprehensive income or directly in equity. If current or deferred taxes result from the initial recognition of a business combination, the tax effects are taken into account in the accounting for the business combination.

CURRENT TAXES

Current taxes are calculated on the basis of the results of the fiscal year and in accordance with the national tax laws of the respective tax jurisdiction. To the extent that the effects of the tax laws are not clear, estimates are made for the calculation of the tax liability on profits that are recorded in the consolidated financial statements. The Group considers the estimates, assessments and assumptions to be appropriate. Expected and actual tax payments or reimbursements for previous years are also included.

DEFERRED INCOME TAXES AND LIABILITIES

Deferred tax is recognized for all temporary differences identified between the carrying amount of assets and liabilities and their tax bases, using the liability method. For the consolidated financial statements, deferred taxes are determined for all temporary differences between the book values and the tax values of the assets and liabilities.

Deferred tax assets arising from deductible temporary differences and tax loss carryforwards are only disclosed to the extent that the Company can reasonably be expected to generate sufficient taxable income for the future tax purposes of the loss carry forwards.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The forecasts used need to be consistent with the projections used for the impairment test of goodwill.

Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are assessed at the tax rules and tax rates that are expected to be applied during the year in which the asset will be realized or the liabilities paid, based on known tax rates applicable in the various countries on the reporting date. The valuation of deferred tax assets and liabilities reflects the taxable assessment of how the Group will realize the assets or pay the liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

BORROWING COSTS

Borrowing costs directly associated with the acquisition or production of qualifying assets are added to the production costs of these assets until the period in which the assets are largely available for their intended use or for their sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs in the amount of € 85 thousand (previous year: € 0 thousand) were capitalized in the fiscal year. For non-qualified assets, borrowing costs are recognized as an expense in the period in which they are incurred.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit after tax of the parent company's shareholders by the weighted average number of shares outstanding during the fiscal year. Diluted earnings per share are calculated based on the assumption that all potentially dilutive securities and share-based compensation plans are converted or exercised.

INTANGIBLE ASSETS

The Wild Bunch Group separately capitalizes acquired (i.e. not acquired within the business combination) and internally generated intangible assets if:

a. The Company holds economic ownership of the assets on account of past events.

b. It is assumed that the future economic benefits attributable to the asset will flow to the Company.

In accordance with IAS 38, the Wild Bunch Group recognizes an intangible asset at its cost if the Group can demonstrate:

a. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

b. There is an intention to complete and it is possible to use or sell the asset

c. It is clear how the asset will generate future economic benefits

d. It is probable that future economic benefits attributable to the asset will flow to the Company

e. The ability to measure reliably the costs of the asset

f. It is possible to use the intangible asset created.

Intangible assets that do not satisfy these conditions are expensed.

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets are amortized over their estimated useful lives in accordance with IAS 38. The estimated useful lives of intangible assets does not exceed twenty years from the date on which the asset is available for use. The expected useful lives, residual values and amortization and depreciation methods are reviewed annually and all necessary changes in estimates are taken into account prospectively. The amortization period and the amortization method are reviewed at the end of each fiscal year.

1. Patents and licenses

The acquisition and production costs for patents, brands and licenses are capitalized and subsequently amortized on a straight-line basis over the period of expected benefits. The estimated useful life of patents, brands and licenses varies between five and fifteen years. The amortization period begins when the asset is available for use.

Capitalized development costs for new projects (especially screenplay rights) are reviewed regularly to assess whether they can still be used as the basis for a film production. If, after the initial recognition of project costs, the start of filming of a film or the sale of the rights is not sufficiently probable, such costs are written off in full. Impairment losses are recorded if there is an indication of impairment.

2. Film rights

Film assets include acquired international film distribution rights and acquired rights to third-party productions, i.e., films that the Wild Bunch has not produced itself, as well as the production costs for films that are produced within the Group (proprietary productions and co-productions), as well as costs for the development of new projects. The acquisition of rights to third-party productions generally comprises cinema, home entertainment and TV rights.

The acquisition costs for third-party productions generally comprise minimum guarantees. Individual installments of the minimum guarantee are reported as prepayments and capitalized under film assets with the delivery and acceptance of the material. Proprietary productions are stated at cost. Production costs also include borrowing costs attributable to the respective production.

Acquisition and production costs to acquire or produce films are capitalized in accordance with IAS 38 "Intangible Assets."

Films are depreciated according to the net profit expectations. The carrying amount is multiplied by the ratio of net income received in the reporting period and future expected net income. The depreciation is carried out from the date of initial publication or from the date of acquisition in cases where the acquisition is made after the initial publication for a maximum period of 10 years. The minimum depreciation includes at least the imputed linear accumulated depreciation of 10% per year.

Existing prior film rights from a film library acquired as part of a company acquisition are amortized over the expected useful lives, which may also not exceed 12 years.

If indications of impairment exist, an impairment test is also conducted for each film title. A write-down is recorded to the value in use if the acquisition cost or the carrying amount are not covered by the estimated total revenue less any outstanding costs relating to film release taking into account when such costs will be incurred. Value in use is determined by discounting the estimated cash flows by applying discounting factors that take into account the durations of the distribution steps. The estimated cash flows can change significantly due to a number of factors such as market acceptance. The Wild Bunch Group reviews and revisions the expected cash flows and depreciation expenses as changes occur in the data expected so far. Further information can be found in (4) Other intangible assets/Impairment of non-financial assets.

3. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any and is disclosed separately.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4. Other intangible assets

This category chiefly comprises software programs and intangible assets disclosed as part of purchase price allocation, which are measured at cost less amortization using the straight-line method and impairment losses.

New software is capitalized at cost and reported as an intangible asset if such costs do not form an integral component of the related hardware. Software is amortized on a straight-line basis over a period of three to four years.

An intangible asset is depreciated upon disposal or when no further economic benefit is expected from its use or its disposal. The gain or loss from the derecognition of an intangible asset, which is measured by the difference between the net sale proceeds and the carrying amount of the asset, is recognized in the income statement at the time when the asset is derecognized. The statement is included in other income or expenses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprises land, rights and constructions equivalent to land, leasehold improvements, plant and machinery, other furniture and fixtures, as well as prepayments made and assets under construction.

The acquisition costs of leasehold improvements are generally depreciated over the term of the respective rental contract (up to 10 years). Plant and other furniture and fixtures are measured at cost less depreciation and impairment losses. Depreciation is applied straight-line over a normal useful operating life of up to 10 years. Repair and maintenance costs are recognized as expenses at the time when they are incurred. Installations are capitalized and depreciated over the aforementioned expected useful lives. Acquisition cost and the associated accumulated depreciation is derecognized upon disposal. The resulting gains or losses are recognized through profit or loss in the fiscal year. If the acquisition cost of certain components of an item of property, plant and equipment is material, such components are recognized and depreciated separately.

IMPAIRMENT OF NON-FINANCIAL ASSETS

On each reporting date, the Group reviews the carrying amount of intangible assets and property, plant and equipment to determine whether there are any indications of impairment. Indications of impairment include a significant reduction in the fair value of an asset, significant changes to the corporate environment, substantial indications of obsolescence, or changes to earnings forecasts. If there are indications of impairment, the net recoverable amount of the asset is assessed to determine the extent of a potential impairment loss. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use. If the recoverable amount is calculated from the value in use, such a calculation is based on expected future cash flows.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The impairment loss is immediately recorded as an expense.

If the impairment loss reverses in a later period, the carrying amount of the asset or cash-generating unit is written up to the revised estimate of the recoverable amount. This does not include goodwill. The increase in the carrying amount may not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. The impairment loss is reversed directly through profit or loss.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment appraisal on detailed budgets and forecast calculations, which are prepared separately for each of the Group's assets for each of the CGUs to which the individual assets are allocated.

The annual impairment test of intangible assets is conducted based on the value in use applying estimated future discounted cash flows that are derived from medium-term planning. The planning horizon for the medium-term planning is five years. For the impairment testing of individual film rights, the detailed planning period is three years.

The calculation of the recoverable amount contains management estimates and assumptions. The estimates and assumptions are based on assumptions that are derived from the current information available. Due to developments that differ from these assumptions as well as developments that lie outside the scope of influence of the Company, the amounts that occur can differ from the original expectations, resulting in adjustments to carrying amounts.

Intangible assets that are not yet available for use are tested annually for impairment or whenever any indications of impairment exist.

The discounting factor is calculated using the weighted average cost of capital method (WACC).

FINANCIAL ASSETS AND SHARES IN ASSOCIATES

The fair value of **financial assets and investments in associates** that are not consolidated or not accounted for using the equity method is recognized at fair value if this can be reliably determined using stock exchange or market prices or by means of recognized valuation methods. Otherwise, the valuation is carried out at amortized cost. The valuation methods include in particular the discounted cash flow method (DCF method) on the basis of the expected investment results.

On each balance sheet date, the carrying amounts of **financial assets and investments in associates** are examined to determine whether there are indications of impairment. If there is impairment, an impairment loss is recognized in the income statement.

INVENTORIES

Inventories, primarily comprising DVDs and Blu-rays, are measured at the lower of cost or net realizable value (sales-oriented, net realizable value measurement). Production costs contain all specific costs attributable to the creation of goods and services, as well as production-related overhead costs. Net realizable value comprises the sales price achievable in a normal business transaction less selling costs yet to be incurred until sale. Acquisition/production costs are calculated applying the first-in-first-out approach (FIFO).

Allowances on goods are calculated based on sales analyses. This entails the management analyzing whether goods have retained their value on the basis of historical movements and products located in the warehouse on an individual product basis. If this analysis reveals that some products have not retained their value, they are written down accordingly. Further write-downs are recognized for damaged or defective merchandise.

FINANCIAL ASSETS

Customary market purchases or sales of financial assets are recognized as of the settlement date.

Loans and receivables

Financial instruments included in this category are measured at amortized cost using the effective interest method.

Current trade receivables and other current receivables are recognized at cost. Non-interest bearing monetary receivables with a term of more than one year are discounted applying the interest rate appropriate to their maturity.

If there is doubt as to their recoverability, trade receivables are recognized at the lower realizable value. An impairment loss is applied if objective indications – primarily relating to the creditworthiness of the respective customer, current sector-specific economic developments, the analysis of past receivables defaults and the discontinuation of an active market for the financial assets – lead to the conclusion that the Company will not receive the full amount on the date when they fall due. The reported carrying amounts of the current receivables approximately correspond to their fair values.

Financial assets at fair value through profit or loss

The category of financial assets at fair value through profit or loss typically includes financial assets held for trading and financial assets classified upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near future. Derivatives are also classified as held for trading, with the exception of derivatives which are not financial guarantees, or which were designated as hedge instruments, or which are effective as hedge instruments (hedge accounting).

Upon initial recognition, financial assets are designated as financial assets measured at fair value through profit or loss, if thereby any inconsistencies are eliminated or significantly reduced that would arise from the measurement that would otherwise need to be applied to assets, or from the reporting of gains and losses on the basis of different valuation methods, or if a group of financial assets and/or financial liabilities are managed according to a documented risk management or investment strategy, and their value changes are assessed on the basis of fair value, and the information about this group of financial assets calculated on this basis is submitted internally to key company personnel.

They are measured at fair value. Realized gains and losses from fair value changes of financial instruments are reported through profit or loss on the date when they arise.

Subsequent measurement is performed at fair value corresponding to the stock market price on the reporting date. If no market value is available, fair value is calculated on the basis of valuation methods. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, or discounted cash flow analysis and other valuation models.

As of 31 December 2015, the Company had currency hedge contracts, which were measured at fair value through profit or loss in the amount of € 49 thousand. As of 31 December 2014, the Company had no financial assets measured at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when one of the three following requirements is met:

a. The contractual rights to the cash flows from the financial asset expire.

b. The Group retains the contractual rights to receive cash flows from financial assets, but assumes a contractual obligation to pay those cash flows to a third party without material delay as part of an agreement that fulfills the conditions in IAS 39.19 (pass-through arrangement).

c. The Group has transferred the contractual rights to receive cash flows of a financial asset and (a) has transferred substantially all the risks and rewards of ownership of the financial asset or (b) has neither transferred nor retained substantially all risks and rewards of ownership of the asset, but has transferred control of the asset.

DERIVATIVE FINANCIAL INSTRUMENTS

In the fiscal year, the Group uses derivative financial instruments to hedge foreign currency exchange rate fluctuations in the case of purchases of film rights denominated in foreign currencies. These are typically in US dollars. The foreign currency exchange rate risk derives from the fact that the revenues from the exploitation of such rights accrue exclusively in euros.

Hedging is intended to reduce the risk of a change in the fair value of an asset. In this case, fixed obligations are hedged from purchases of film rights that are not yet recognized in the statement of financial position, as such transactions are subject to foreign currency exchange rate fluctuations from the inception of the contract until the contract is satisfied. Forward exchange contracts and options are utilized as hedging instruments.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. This documentation includes identification of the hedging instrument and the hedged item, the nature of the risk being hedged, and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value that is attributable to the hedged risk.

Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of forward exchange contracts is based on bank valuations. Such valuations are calculated by the banks with which the transactions have been concluded.

Financial derivatives are measured at fair value applying generally accepted valuation techniques.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and current account balances at banks and are recorded at acquisition costs. Such assets are only reported under cash and cash equivalents to the extent that they can be converted at any time into cash amounts that are determinable in advance, are subject to only insignificant value fluctuation risks and carry a residual term of a maximum of three months from the purchase date.

EQUITY

Outstanding bearer shares are classified as equity. Once the Group purchases treasury shares, the consideration paid including the attributable transaction costs for the respective shares is deducted from equity. When treasury shares are sold or issued, the consideration received is added to equity.

PROVISIONS FOR PENSIONS (EMPLOYEE BENEFITS AFTER TERMINATION OF THE EMPLOYMENT RELATIONSHIP)

The amount of the obligation resulting from the performance-oriented plan is determined using the projected unit credit method.

The net interest is calculated by multiplying the discount rate by the net debt (pension obligation less plan assets) or the net asset value, if the plan assets at the beginning of the fiscal year exceed the pension obligation.

The Group recognizes the service cost (including current service cost, past service cost, and any gains or losses from the plan change or reduction) of the defined benefit obligation in the income statement in administrative expenses.

Revaluations from actuarial gains and losses are recognized immediately in the balance sheet and posted to the profit reserves (debit or credit) in the period in which they are incurred. Revaluations may not be reclassified in the profit and loss account in subsequent periods.

In Germany, the statutory pension insurances according to IAS 19 are contributory contribution plans. Payments for defined contribution plans are then recognized as an expense if the employees have performed the work that entitles them to the contributions.

PROVISIONS, CONTINGENT OBLIGATIONS AND CONTINGENT ASSETS

In accordance with IAS 37, provisions are recognized for liabilities of uncertain timing or amount. A provision can only be recognized if:

a. the Company has a present obligation (legal or constructive) as a result of a past event,

b. it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and

c. a reliable estimate can be made of the amount of the obligation.

The amount reported as a provision represents the best possible estimate of the amount required to settle the obligation existing as of the reporting date, i.e., the amount that the Company would be required to pay on the basis of reliable observation in order to settle the obligation on the reporting date, or to transfer it to a third party on this date. If the interest effect is significant, non-current provisions are calculated at the present value of the expected cash outflow calculated applying the current market interest rate.

Provisions for potential losses from onerous contracts are recognized if the unavoidable costs to satisfy the transaction are higher than the expected economic benefits. Before a provision is recognized, impairments relating to assets that are connected with this transaction are applied.

Liabilities arising from a potential obligation due to a past event and the existence of which is contingent on the occurrence or non-occurrence of one or several uncertain future events that are not entirely within the control of the Company, or which arise from a current obligation that is based on past events, but which are not reported, because

a. it is not probable that an outflow of resources embodying economic benefits will be required to settle this obligation

b. the amount of the obligation cannot be measured with sufficient reliability,

are reported as contingent liabilities unless the probability of the outflow of resources embodying economic benefits for the Group is low.

Contingent assets are not capitalized, but are instead disclosed by way of analogy to contingent liabilities, if an economic benefit is probable for the Group.

FINANCIAL LIABILITIES

Upon initial recognition, financial liabilities are classified as financial liabilities measured at fair value through profit or loss or as other financial liabilities measured at amortized cost applying the effective interest method.

All financial liabilities are recognized initially at fair value, less directly attributable transaction costs in the case of loans.

The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent to initial recognition, interest-bearing loans and borrowings are measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance cost in the statement of income.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance cost in the statement of income.

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized through profit or loss.

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement on the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognized under other operating expenses in the statement of income on a straight-line basis over the lease term.

As on the previous year's reporting date, no financial leasing relationships existed as of 31 December 2015.

(B) NOTES TO INDIVIDUAL STATEMENT OF INCOME ITEMS

8. REVENUE

	2015		2014	
	in € thousand	%	in € thousand	%
International sales	28,259	24.05	33,388	25.61
Cinema	26,720	22.74	34,546	26.50
TV	27,714	23.58	28,539	21.89
Video	29,798	25.36	30,926	23.72
Other	5,022	4.27	2,977	2.28
	117,513	**100.00**	**130,376**	**100.00**

Other revenue mainly consists of the resale of licenses, services and production proceeds.

9. OTHER FILM-RELATED INCOME

in € thousand	**2015**	2014
Government grants	5,475	7,698
Value reversal for film assets	2,300	4,698
Other income	20	2,199
	7,795	**14,595**

In the fiscal year, impairments were reversed for impairment losses recorded in previous years (see Note 18 "Intangible Assets").

10. MANUFACTURING COSTS OF THE SERVICES REQUIRED TO GENERATE SALES REVENUES

in € thousand	**2015**	2014
Distribution costs	33,661	45,511
Depreciation on film rights	53,473	64,102
Licensor fees	14,459	17,938
Other costs	7,101	7,481
	108,694	**135,032**

11. OTHER OPERATING INCOME

Other operating income can be broken down as follows:

in € thousand	**2015**	2014
Income from reversal of provisions	2,300	0
Income from reversal of bad debt allowances	580	1,724
Foreign currency exchange gains	1,475	154
Other income	1,558	567
	5,913	**2,445**

12. ADMINISTRATIVE EXPENSES

Administrative expenses can be broken down as follows:

in € thousand	**2015**	2014
Personnel expenses	14,544	11,511
Depreciation and amortization expenses	307	213
Other administrative expenses	9,654	5,671
	24,505	**17,395**

Administrative expenses include the total personnel expenses of the Group and amounted to € 10,868 thousand (previous year: € 8,236 thousand) for salaries, € 3,525 thousand (previous year: € 3,056 thousand) for the expenses of social security and € 151 thousand (previous year: € 219 thousand) in retirement provisions.

Other administrative expenses mainly include legal and consulting costs, lease expenses as well as office and travel expenses. The rental expenses for the fiscal year amounted to € 1,642 thousand (previous year: € 1,029 thousand).

13. OTHER OPERATING EXPENSES

Other operating expenses comprise the following items:

in € thousand	**2015**	2014
Loss on disposal of current assets	749	0
Currency losses	393	186
Loss on disposal of fixed assets	237	63
Other	10	53
	1,389	**302**

14. FINANCIAL RESULT

The financial result can be broken down as follows:

in € thousand	**2015**	2014
Interest	14	258
Foreign currency gains from non-operating activity	2,191	1,664
Other	0	10
Financial income	**2,205**	**1,932**
Interest expense	5,754	3,273
Foreign currency losses from non-operating-activity	1,745	1,319
Other	138	0
Financial expenses	**7,637**	**4,592**
Share in the result of associates	–366	68
Write-ups on shares in associates	0	2,136
Value adjustments on shares in associates	–368	0
Result of associates	**–734**	**2,204**
Financial result	**–6,166**	**–456**

Foreign currency gains and losses are mainly attributable to the foreign currency accounts held by the Group for third parties within the Group's international sales activities.

In the write-ups in the previous year amounting to € 2,136 thousand, valuation allowances for shares in Circuito Cinema s.r.l., Rome, Italy, were again partly attributed to a new business strategy and the associated multi-year planning. Nevertheless, this updated multi-year planning at the end of 2015 led to further depreciation of € 368 thousand on the equity investment.

15. INCOME TAXES

Actual tax liabilities for the current fiscal year and prior years are measured applying the tax rates applicable on the reporting date to the amounts that are expected to be payable to tax authorities.

The actual tax expense is reconciled from the application of the resulting tax expense at Wild Bunch AG as follows:

in € thousand	**2015**	2014
Earnings before income taxes	**–9,531**	–5,770
Tax at an effective tax rate of 30% (previous year: 30%)	**2,859**	1,731
Effect of non-taxable earnings on determining the taxable income from the equity portion:		
Tax effect on shareholdings accounted for using the equity method	–110	21
Non-deductible operating expenses	–29	0
Non-taxable income	49	0
Non-creditable withholding taxes	–548	0
Non-capitalization of deferred taxes	–67	0
Increase due to minimum taxation	–42	0
Correction for the previous year due to tax audits and for other reasons	–526	717
Tax effect from deviating tax rates	386	115
Other	306	–293
Tax income for the reporting year according to the financial statements	**2,278**	2,291

Deferred tax assets and liabilities can be broken down as follows:

in € thousand	Deferred tax assets	Passive latente Steuern 2015	Aktive latente Steuern 2014	Passive latente Steuern 2014
Film rights	2,772	–7,165	568	–11,884
Other assets	1,836	–10,105	1,811	–8,268
Licensor fees	311	–1,603	253	182
Other liabilities	108	–1,825	–80	–1,964
Other	796	0	206	177
Temporary differences	**5,823**	**–20,697**	**2,758**	**–21,817**
Loss carry forwards	11,457	0	13,141	0
Total	**17,280**	**–20,697**	**15,899**	**–21,817**
Offsetting	–12,805	12,805	–12,099	12,099
Reported	**4,475**	**–7,892**	**3,800**	**–9,718**

The major part of the deferred tax assets and the total deferred tax liabilities result from facts relating to the valuation of film utilization rights (depreciation differences, differences in the use of assets, valuations at the lower fair value, collectability of receivables from the utilization of film recovery rights). Besides these causes of deferred taxes, there are other deferred tax assets from tax loss carryforwards.

Eurofilm & Media Ltd. and Continental Films SAS have unused tax loss carry forwards of approximately € 165 million and approximately € 54 million, for which no deferred tax assets were recognized.

For the companies of the former Senator Group, there are deductible temporary differences amounting to approximately € 8 million for which no deferred tax assets were recognized. In addition, the Management Board assumes that these companies have loss carry forwards of approximately € 30 million.

16. EARNINGS PER SHARE

Earnings per share calculated on the basis of IAS 33 entails dividing current earnings by the weighted average number of shares outstanding during the period.

There are no potential ordinary shares, which means that no diluted earnings per share must be reported.

	For fiscal year 2015		
	Consolidated net income for the year in € thousand	Weighted average number of shares	Earnings per share
Earnings per share			
Net loss for the period attributable to the shareholders	–7,193	72,560,774	–0.10

	For fiscal year 2014		
	Consolidated net income for the year in € thousand	Weighted average number of shares	Earnings per share
Earnings per share			
Net loss for the period attributable to the shareholders,	–3,328	55,872,788	–0.06
of which due to error corrections	–2,282	55,872,788	–0.04

The calculation of earnings per share as of 31 December 2014 is based on the number of shares that Wild Bunch AG issued to the shareholders of Wild Bunch S.A. as part of the merger.

Wild Bunch AG carried out two cash capital increases after 31 December 2015, in which 5,372,464 and 668,980 new shares were issued.

(C) NOTES TO INDIVIDUAL STATEMENT OF FINANCIAL POSITION ITEMS

17. GOODWILL

in € thousand	**2015**	2014
Acquisition costs	124,454	60,824
Accumulated impairment losses	0	0
	124,454	**60,824**

in € thousand	**2015**	2014
Acquisition costs		
Balance at the beginning of the year	60,824	60,824
Additional amount recognized from business combinations formed during the fiscal year	63,630	0
Balance at the end of the year	**124,454**	**60,824**

in € thousand	**2015**	2014
Accumulated impairment losses		
Balance at the beginning of the year	0	0
Impairment losses recognized in the year	0	0
Balance at the end of the year	**0**	**0**

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units (CGU).

- International Sales and Distribution as well as Film Production
- Other

Before recognition of impairment losses, the carrying amount of goodwill was allocated to cash-generating units as follows:

in € thousand	**2015**	2014
International Sales and Distribution as well as Film Production	124,454	60,824
Other	0	0
	124,454	**60,824**

CGU INTERNATIONAL SALES AND DISTRIBUTION AS WELL AS FILM PRODUCTION

The recoverable amount of CGU as of 31 December 2015 was € 177 million and was determined on the basis of the value in use. Cash flow planning was derived from the Group's approved multi-year planning 2016-2020 and covers a period of 5 years (medium-term planning). A discount rate after tax of 6.54% (previous year: 6.16%) was used, and the 5-year cash flows were extrapolated at an annual growth rate of 1.0%. The surplus between the value in use and the carrying amount of these funds totaled € 16 million.

In the medium-term planning, growth rates in the "gross profit" of 14% per year in the years 2016 to 2020 are assumed. Growth is expected primarily from the increase in investments, i.e. the number of films marketed as well as from the TV business. Beyond 2020, a long-term growth rate for sustainable free cash flow in the perpetuity of 1% per year is assumed.

The impairment test is sensitive to changes in the underlying assumptions, in particular the annual growth rates of free cash flow and the discount rates. The excess between the recoverable amount and the carrying amount of CGU would be reduced to zero if the discount rate were to be increased by 0.4%. Similarly, the surplus would be reduced to zero if the annual medium term growth rate of free cash flow were to be reduced by 0.4%. In the case of a combined variation of the valuation assumptions, the surplus would decrease to zero if the discount rate were to increase by 0.2% and there were to be a simultaneous reduction in the annual medium-term growth rates of free cash flow by 0.2%.

MISSING PURCHASE PRICE ALLOCATION FOR THE STEP BY STEP ACQUISITION OF CONTINENTAL FILM S.A.

In fiscal year 2013, the Group carried out a series of interlinked transactions. One of these deals concerned the increase of its 50% stake in Continental Film S.A. (CF) to 100% by way of a step by step purchase (purchase price € 1). The other transactions relate to the issuance of one of the CF loans granted including interest (€ 10.7 million) by CF's co-owner, the repurchase of treasury shares by Wild Bunch S.A. by CF's co-owner (purchase price € 6.3 million), as well as the repayment of a loan granted to CF, including interest (€ 20.8 million) to a related company of CF's associate.

The distribution of the purchase price for the acquisition of the stage at the time of acquisition was largely based on the carrying amounts of the CF, assuming that they corresponded to fair values. This resulted in a negative net assets of € 25.5 million.

To that extent, it was not possible to conclusively assess whether

a. the derivation of the purchase price of € 1 taking into account the payment flows shown above within the series of interrelated transactions; and

b. the assumption that the book values are based largely on fair values

are accurate. Therefore, it cannot be ruled out that other value propositions for assets and liabilities should have been applied in the context of the purchase price allocation (PPA). Within the scope of the CGU „International Distribution and Rental as well as Film Production," there were no indications for an impairment of the goodwill resulting from the negative net assets of € 25.5 million.

To eliminate the existing uncertainty, we will re-create the purchase price allocation (PPA) in 2017.

18. INTANGIBLE ASSETS

in € thousand	Film distribution rights	Other rights	Prepayments made	**Total**
Acquisition costs				
1 January 2015	467,253	484	20,810	488,547
Initial consolidation	4,971	151	3,972	9,094
Additions	40,571	145	8,205	48,921
Reclassifications	16,180	268	– 14,659	1,789
Disposals	– 4,711	– 83	– 82	– 4,876
31 December 2015	**524,264**	**965**	**18,246**	**543,475**
Accumulated amortization and impairment losses				
1 January 2015	384,280	469	93	384,842
Additions	52,747	24	726	53,497
of which unscheduled	*6,158*	*0*	*726*	*6,884*
Additions	– 2,300	0	0	– 2,300
Reclassifications	476	77	1,236	1,789
Reclassification of potential losses from prior periods	726	0	0	726
Disposals	– 1,036	– 68	0	– 1,104
31 December 2015	**434,893**	**502**	**2,055**	**437,450**
Net carrying amount	89,371	463	16,191	106,025
Net carrying amount (prior year)	82,973	16	20,716	103,705

in € thousand	Film distribution rights	Other rights	Prepayments made	**Total**
Acquisition costs				
1 January 2014	417,980	973	24,367	443,320
Initial consolidation	0	0	0	0
Additions	41,670	7	10,945	52,622
Reclassifications	14,550	– 148	– 14,385	17
Disposals	– 6,947	– 348	– 117	– 7,412
31 December 2014	**467,253**	**484**	**20,810**	**488,547**
Accumulated amortization and impairment losses				
1 January 2014	328,681	791	394	329,866
Additions	64,102	11	0	64,113
of which unscheduled	*5,651*	*0*	*0*	*5,651*
Write-ups	– 4,698	0	0	4,698
Reclassifications	329	– 13	– 299	17
Reclassification of potential losses	382	0	– 2	380
Disposals	– 4,516	– 320	0	– 4,837
31 December 2014	**384,280**	**469**	**93**	**384,842**
Net carrying amount	82,973	15	20,717	103,705
Net carrying amount (prior year)	89,299	182	23,973	113,454

The Group writes down the film assets according to a net revenue-based depreciation method. In addition, the Group carries out an annual impairment test on film and other rights.

For this purpose, the planning of all film rights is regularly updated with regard to the expected market acceptance. Due to the volatility of the film business in general and the non-scheduled development of some films in particular, there were indications for impairment of intangible assets as of the balance sheet date if the recoverable amount was below the book value of the film right. Reversals were reversed in the event that the reasons for previously formed impairment losses were eliminated by higher recoverable amounts.

The company has updated its assessment of the market acceptance as well as the future revenue expectations of its film library and these films were tested for impairment if the assessments were lower than previous estimates.

As far as film rights with negative recoverable amounts (i.e., disposal costs exceed revenue) are concerned, a provision for potential losses was recognized for onerous contracts. This provision for potential losses stems from the Group's exploitation and marketing obligations to licensors of the film rights.

The recoverable amount was calculated on the basis of the value in use. The discounted cash flow method that was applied was based on pre-tax discount factors of between 4.67% and 5.72%. The CAPM (capital asset pricing model) method was applied to calculate the cost of capital using reference to a peer group of companies with similar business models.

The discounted cash flow method is based on future cash flows deriving from a planning calculation for each film right. Cash inflows and outflows from the first-time exploitation through the steps of cinema, home entertainment and TV (to the extent that the respective exploitation rights are available) are planned in detail, whereas blanket estimates have been applied to each film right for subsequent exploitation steps.

Disposals of film rights stem from the expiry or sale of licensing periods.

19. PROPERTY, PLANT AND EQUIPMENT (OTHER EQUIPMENT, FURNITURE AND FIXTURES)

in € thousand	**2015 Total**	2014 Total
Acquisition costs		
1 January	3,178	3,211
Initial consolidation	227	0
Additions	309	51
Disposals	– 687	– 84
31 December	**3,027**	**3,178**
Accumulated depreciation and impairment losses		
1 January	1,775	1,657
Additions	282	202
Disposals	– 471	– 83
31 December	**1,586**	**1,776**
Net carrying amount	**1,441**	**1,402**

As of the reporting sheet date, there were no obligations to acquire property, plant and equipment.

20. INVESTMENTS IN ASSOCIATES OR JOINT VENTURES

in € thousand	1 Jan 2015	Increase in the carrying amount	Initial con-solidation	Share in profit 2015	Dividends received	Impairment losses	31 Dec 2015
Bavaria Pictures GmbH, Munich	0	0	0	0	0	0	0
Capricci World, Nantes, France	0	0	0	0	0	0	0
Central Film Verleih GmbH, Berlin	4,401	0	–4,388	–13	0	0	0
Circuito Cinema s.r.l., Rome, Italy	2,376	442	0	–493	0	–368	1,957
X Verleih AG, Berlin	0	0	1,310	140	–113	0	1,337
	6,777	**442**	**–3,078**	**–366**	**–113**	**–368**	**3,294**

Senator Film München GmbH owns a 50% shareholding in Bavaria Pictures GmbH (joint venture), a film production company with registered offices in Grünwald, Germany. The Group's shareholding in Bavaria Pictures GmbH is accounted for using the equity method in the consolidated financial statements.

Comprehensive financial information about the joint venture corresponds to its financial statements prepared in accordance with IFRSs and the reconciliation of this financial information to the carrying amount of the share of the joint venture in the consolidated financial statements is shown below:

in € thousand	**31 Dec 2015**
Bavaria Pictures GmbH	
Current assets including cash and cash equivalents of € 1,365 thousand and prepayments of € 0 thousand	4,547
Non-current assets	3,604
Current liabilities including tax liabilities of 0 thousand	9,511
Non-current liabilities including deferred tax liabilities of € 0 thousand and a non-current loan of 0 thousand	0
Equity	–1,360
Group shareholding	50.0%
Accounting using the equity method	0

in € thousand	2015
Revenue	4,250
Other own work capitalized	1,619
Other operating income	2,893
Cost of materials	–3,176
Personnel expenses	–1,693
Amortization, depreciation and impairment	–3,528
Other operating expenses	–124
Interest expense	–62
Earnings before taxes	179
Income taxes	0
Income/loss from continuing operations	179
Group share in income/loss	90
Thereof reported through profit or loss	0

This is a joint venture company in which the parties have joint control and no shareholder can exercise power over the company alone.

The Group owns 34.4 of the shares in Circuito Cinema s.r.l., a theatre chain based in Rome.

Comprehensive financial information about the associated company corresponds to its financial statements prepared in accordance with IFRSs and the reconciliation of this financial information to the carrying amount of the share in this joint venture in the consolidated financial statements is shown below:

in € thousand	31 Dec 2015	31 Dec 2014
Circuito Cinema s.r.l.		
Current assets including cash and cash equivalents of € 118 thousand (previous year: € 96 thousand) and prepayments of€ 176 thousand (previous year: € 136 thousand)	3,820	5,286
Non-current assets	5,699	5,297
Current liabilities including tax liabilities of € 296 thousand (previous year: € 340 thousand)	7,139	7,862
Non-current liabilities including deferred tax liabilities of 0 thousand (previous year: € 0 thousand) and non-current loans of € 0 thousand (previous year: € 0 thousand)	394	385
Equity	2,318	2,447
Group shareholding	34.4 %	37.5 %
Accounting using the equity method	1,957	2,376

in € thousand	**2015**	2014
Revenue	9,560	10,781
Cost of materials	– 7,018	– 6,551
Personnel expenses	– 3,022	– 2,909
Amortization, depreciation and impairment	– 555	– 495
Other operating expenses	– 988	– 536
Financial result	– 53	– 175
Earnings before taxes	– 2,076	115
Income taxes	434	– 53
Income/loss from continuing operations	– 1,642	62
Group share in income/loss	– 493	23
Thereof reported through profit or loss	– 493	0

Comprehensive financial information about the associated company corresponds to its financial statements prepared in accordance with IFRSs and the reconciliation of this financial information to the carrying amount of the share in this joint venture in the con-solidated financial statements is shown below.

in € thousand	**31 Dec 2015**
X Verleih AG	
Current assets including cash and cash equivalents of € 2,925 thousand and prepayments of € 0 thousand	3,679
Non-current assets	1,920
Current liabilities including tax liabilities of € 99 thousand	2,112
Non-current liabilities including deferred tax liabilities of € 0 thousand	0
Equity	3,788
Group shareholding	31.4 %
Accounting using the equity method	1,336

in € thousand	2015
Revenue	4,356
Other operating income	1,098
Cost of materials	– 3,032
Personnel expenses	– 931
Amortization, depreciation and impairment	– 649
Other operating expenses	– 160
Financial result including interest expense of € 15 thousand	– 10
Earnings before taxes	672
Income taxes	– 225
Income/loss from continuing operations	447
Group share in income/loss	140

In the fiscal year, X Verleih AG, Berlin distributed € 360 thousand to its shareholders, of which € 113 thousand was attributable to Wild Bunch AG.

The cumulative total amount of unrecognized pro rata share capital from associated companies is € 680 thousand (previous year: € 0).

21. FINANCIAL ASSETS

Financial assets mainly include deposits of € 568 thousand (previous year: € 26 thousand) and shareholdings in companies of € 512 thousand (previous year: € 509 thousand).

22. INVENTORIES

The inventories of Wild Bunch consist primarily of stocks of audiovisual material.

Write-downs were necessary on inventories in fiscal year 2015 in the amount of € 533 thousand (prior year: € 86 thousand).

23. TRADE RECEIVABLES

Trade receivables can be broken down as follows:

in € thousand	**31 Dec 2015**	31 Dec 2014
Trade receivables	51,045	43,075
Less bad debt allowances	– 990	– 865
Net receivables	50,055	42,210
Prepayments made	479	618
Trade receivables	**50,534**	**42,829**

Receivables are recognized at nominal value less bad debt allowances.

Valuation adjustments on bad debts on trade receivables are based on both a customer-related assessment and recent experience.

As of 31 December 2015, trade receivables with a nominal value of € 125 thousand were written down in full (prior year: € 0 thousand). These write-downs became necessary due to payment difficulties that arose.

The following table shows the development of the valuation allowances recognized on trade receivables:

in € thousand	**2015**	2014
As of 1 January	865	1,320
Utilization	0	– 455
Additions	125	0
As of 31 December	**990**	**865**

As of 31 December 2015, receivables of € 31,210 thousand (prior year: € 33,481 thousand) were neither impaired nor past due. In this context, there were no indications that customers would fail to meet payment obligations as of the reporting date.

Trade receivables that are past due as of the reporting date but are not yet impaired are overdue as follows:

in € thousand	**31.12.2015**	31.12.2014
Between 0 and 90 days	4,753	269
Between 91 and 120 days	388	101
More than 121 days	13,704	8,359

No valuation allowances were recognized for trade receivables of € 18,845 thousand (prior year: € 8,729 thousand) that were past due as of the reporting date, as there was no significant change to the creditworthiness of these debtors and it is assumed that the outstanding amounts will be settled. The Group does not hold collateral as security for these open items.

24. OTHER CURRENT ASSETS

Other current assets are as follows:

in € thousand	**2015**	2014
Other financial assets		
Receivables from development institutions	16,903	12,954
Creditors with debit	2,578	565
Currency futures	49	0
Other	3,208	4,236
	22,738	17,755
Other non-financial assets		
Tax receivables	6,172	5,589
Funding from other sources	2,653	2,021
Accruals	854	855
Other	150	205
	9,829	8,670
	32,567	**26,425**

25. SUBSCRIBED CAPITAL

For a description of the development of equity, please refer to the equity change table. The development of the equity of Wild Bunch AG is described below.

The Extraordinary General Meeting of 12 September 2014 passed resolutions on four capital measures, three of which were implemented in fiscal year 2014. The fourth measure was successfully implemented by 5 February 2015.

On 5 February 2015, Wild Bunch AG was able to approve the fourth capital increase decided by the Extraordinary General Meeting on 12 September 2014, a capital increase of € 55,872,788 by issuing 55,872,788 new shares against the transfer of all shares in Wild Bunch S.A., Paris (Wild Bunch) successfully by being entered in the commercial register. The share capital thus increased to € 74,330,015.

Pursuant to the shareholders' meeting resolution and the provisions of the Articles of Association, Wild Bunch AG carried out a cash capital increase with the exclusion of the subscription right on 17 December 2015. A total of 1,391,556 new shares were issued with a pro rata share of the share capital of EUR 1.00 which is attributable to the individual shares, increasing the share capital by 1.88% from € 74,330,015 to € 75,721,571. The new shares were issued at an issue price of € 2.05 per share, giving the Company gross proceeds of around € 2.85 million. The proceeds are intended to strengthen the Company's financing structure and to repay liabilities and further implement the Company's growth plans.

Shares	**31.12.2015**	31.12.2014
Shares, 75,721,571,00,		
Authorized Capital (2015/I) up to € 35,773,451	75,721,571	18,457,227
Contingent Capital (2015/I) up to € 19,750,097		
Own shares	–2,415	–2,415
	75,719,156	**18,454,812**

Subscribed capital is fully paid in and divided into no-par value bearer shares.

Treasury shares are reported in the statement of financial position reducing equity. Treasury shares are reported at cost.

By resolution of the Annual General Meeting on 30 June 2015, the Management Board was authorized until 29 June 2020, subject to the approval of the Supervisory Board, to purchase treasury shares in a volume of up to a total of 10% of the share capital existing at the time of the passing of the resolution. Shares acquired may not at any time amount to more than 10% of total share capital when taken together with other treasury shares held by the Company or allocable to the Company in accordance with Sec. 71a et seq. AktG ["Aktiengesetz": German Stock Corporation Act]. The Company has in turn obliged not to trade in treasury shares and only to sell treasury shares under certain circumstances.

On 31 December 2015, the Company reports 2,415 no-par value shares as treasury shares to which a nominal amount of € 2,415 or around 0.0003% of the share capital is attributable as of 31 December 2015.

At the Annual General Meeting of 30 June 2015, Authorized Capital 2012/I that still existed until that date was revoked to the extent that it had not been utilized. New Authorized Capital was approved that authorizes the Management Board, with the approval of the Supervisory Board, to increase the share capital by an amount of up to € 37,165,007.00 by 29 June 2020 (Authorized Capital 2015/I). The Authorized Capital was partially utilized in 2015 to issue 1,391,556 new shares.

At the Annual General Meeting on 30 June 2015, the Management Board was authorized, subject to the approval of the Supervisory Board, to issue once or several times, no-par value or registered convertible bonds or warrant-linked bonds of a total nominal amount of up to € 19,750,097 until 29 June 2020. Contingent Capital 2015/I will be utilized only to the extent that the holders of convertible or warrant-linked rights utilize their conversion or warrant-linked rights or satisfy the conversion obligations arising from such bonds. Contingent Capital 2015/I was entered in the commercial register on 7 July 2015.

26. PRESENTATION OF THE GROUP'S EQUITY CAPITAL IN THE CONTEXT OF THE REVERSE ACQUISITION OF THE COMPANY

The amount of the Group's equity directly after the reverse acquisition is determined as follows:

Book value of the equity of the economic acquirer before the acquisition
+ Purchase costs of the acquired company
= Consolidated equity

IFRS 3. IE8, however, provides that the disclosure of the subscribed capital in the balance sheet must present the legal situation of the legal acquirer.

Accordingly, corresponding amounts (€ 55,686 thousand) were reclassified from the capital reserves of Wild Bunch S.A. to the subscribed capital and the acquisition costs of the company acquisition (€ 33,961 thousand) were divided according to the subscribed capital (€ 18,455 thousand) and the capital reserve (€ 15,506 thousand).

In December 2015, 1,391,556 new shares were issued for a subscription price of € 2.05 per share as part of a cash capital increase. The difference between the subscription price and the arithmetically proportionate amount of the share capital in the amount of € 1,462 thousand was included in the capital reserve.

A total of € 1,246 thousand was offset against the capital reserve.

27. OTHER RESERVES

Other reserves in the amount of € -124 thousand (previous year: € -115 thousand) result from actuarial gains and losses recognized in equity from pension obligations less deferred taxes attributable to them. (Item 30 „Employee Benefits").

28. NON-CONTROLLING INTERESTS

The non-controlling interests mainly relate to the following companies:

in € thousand	**31 Dec 2015**	31 Dec 2014
Bunch of Talents SAS, Paris, France	3	32
deutschfilm GmbH, Berlin	0	0
Elle Driver SAS, Paris, France	76	75
Filmoline SAS, Paris, France	202	231
Versatile SAS, Paris, France	–48	–36
Vértigo Films S.L., Madrid, Spain	–581	–587
Wild Bunch Germany GmbH, Munich	340	281
	–8	**–4**

The following is a summary of the financial information contained in the consolidated financial statements of companies with non-controlling interests:

in € thousand	**2015**	2014
Elle Driver SAS, Paris, France		
Revenues	3,111	5,470
Net income	14	151
Current assets	1,572	1,356
Non-current assets	3,621	4,708
Current liabilities	3,572	4,112
Non-current liabilities	103	448
Cash flows	–46	43

in € thousand	**2015**	2014
Filmoline SAS, Paris, France		
Revenues	3,374	2,868
Net income	–825	420
Current assets	4,947	3,105
Non-current assets	1,383	4,976
Current liabilities	4,814	5,591
Non-current liabilities	12	162
Cash flows	–37	–4,320

in € thousand	**2015**	2014
Vértigo Films S.L., Madrid, Spain		
Revenues	5,061	5,692
Net income	26	–1,092
Current assets	4,669	4,922
Non-current assets	11,774	10,076
Current liabilities	5,904	5,861
Non-current liabilities	13,441	12,073
Cash flows	–11	83

in € thousand	**2015**	2014
Wild Bunch Germany GmbH, Munich		
Revenues	22,105	18,550
Net income	28	108
Current assets	21,215	22,574
Non-current assets	17,169	14,849
Current liabilities	35,784	34,535
Non-current liabilities	0	79
Cash flows	292	–956

The share of non-controlling interests in deutschfilm GmbH amounted to 50% as of 31 December 2015, while its share in the consolidated result amounted to € -100 thousand. deutschfilm GmbH was fully consolidated in the consolidated financial statements of Wild Bunch AG. No distribution was made due to the company's loss situation, however.

No presentation of the financial information of the other companies with minority shareholders is being made for materiality reasons.

29. CAPITAL MANAGEMENT

In accordance with the provisions of the German Stock Corporation Law, Wild Bunch is not subject to any other requirements from the articles of incorporation and bylaws or contractual obligations with respect to its capital maintenance. The key financial indicators used by the Company as part of its corporate management are both profitability and cash flow-oriented.

The primary aim of the management of Wild Bunch is to secure liquidity to ensure its ability to continue as a going concern. Following the merger of Senator Entertainment AG and Wild Bunch S.A in fiscal year 2015, step-by-step implementation of liquidity planning tools was gradually initiated. In addition to the absolute amount of cash and cash equivalents, the expected inflows and outflows are now being monitored by means of a plan on a weekly basis and a medium-term plan covering a three-year period. For further information, please refer to the notes on the liquidity risks in the section „Financial Instruments/Management of Financial Risks" (see Chapter 40).

A sufficiently high equity ratio is required in order to flexibly exploit equity and debt financing options that arise on the market. Economic equity as a percentage of total assets is monitored in this context. The equity ratio is economic equity at Group level as a percentage of total assets.

Economic equity and the equity ratio developed as follows:

in € thousand	**31.12.2015**	31.12.2014
Equity disclosed in the statement of financial position	75,090	46,727
Total assets	**335,220**	**254,284**
Equity ratio	**22.4 %**	**18.4 %**

30. PENSION OBLIGATIONS

The Group maintains performance-oriented retirement plans for all eligible employees of its subsidiaries in France. The Group recognizes existing legal obligations to pay severance provisions ("severance payments") as long-term employee benefits at the time of the termination of the particular employment eligible to severance payments. The cost of performance-oriented retirement plans after termination of the employment relationship is determined by means of actuarial calculations. The actuarial valuation is based on assumptions regarding discount rates, expected retirement age, future wage and salary increases, mortality and future increases in pensions. According to the long-term orientation of these plans, such estimates are subject to substantial uncertainties. The provision for pensions and similar obligations amounted to € 632 thousand as of 31 December 2015 (2014: € 545 thousand). These also include retirement plans for disbursing severance provisions in the Italian subsidiary. For the sake of materiality aspects, an actuarial calculation has not yet been provided.

DEFINED BENEFIT PLANS

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were as in the previous year carried out on 31 December 2015 by Valoria Conseil, Paris, France. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

%	**2015**	2014
Discount rate(s)	2.3	1.8
Expected rate(s) of salary increase	5.0	5.0
Average longevity at retirement age for current employees (future pensioners) (years)*	62	62
Number of eligible beneficiaries	90	90

* Based on French standard mortality table

Net pension expenses are as follows:

in € thousand	**2015**	2014
Current service costs	62	75
Net interest expense	11	15
Gain from the adjustment of provisions	0	– 46
Expenses for the period	**73**	**44**

The following overview shows the development of pension obligations:

in € thousand	**2015**	2014
Value of the defined benefit obligation as of 1 January	545	361
Current service cost	62	75
Interest expense	11	15
Actuarial gains and losses from changes in financial assumptions	– 29	62
Actuarial gains and losses from changes in demographic assumptions	0	14
Actuarial gains and losses from experience adjustments	42	15
Other	0	3
Value of the defined benefit obligation as of 31 December	**631**	**545**

The following table shows the development of actuarial gains and losses reported directly in equity that pertain to pension obligations:

in € thousand	**2015**	2014
Actuarial gains and losses as of 1 January recognized directly in equity	– 115	12
Actuarial gains and losses in 2015	– 13	– 191
Deferred taxes on actuarial gains and losses	4	64
Actuarial gains and losses as of 31 December recognized directly	**– 124**	**– 115**

The following is a quantitative sensitivity analysis of the most important assumptions as of 31 December 2015.

Assumption	Interest rate sensitivity	
Scenario	Increase by 0.50%	Decline by 0.50%
Impact on the performance-oriented obligation (in € thousand)	–26	+29

The above sensitivity analysis was carried out by means of a procedure which extrapolates the impact of realistic changes in the most important assumptions at the end of the reporting period on the performance-oriented obligation.

As a state plan, the statutory pension insurance scheme in Germany is treated as a multi-employer plan in the meaning of IAS 19.32. In fiscal year 2015, the Company paid € 188 thousand (2014: € 49 thousand) into the statutory pension insurance scheme for its employees in Germany, which was expensed (employer contributions).

31. OTHER PROVISIONS

in € thousand	As of 1 Jan 2015	Changes in the basis of consolidation	Utilization	Reversal	Addition	As of 31 Dec 2015
Non-current provisions						
Provisions for legal proceeding costs	284	0	0	0	0	284
Other provisions	200	0	189	0	0	11
	484	**0**	**189**	**0**	**0**	**295**
Current provisions						
Personnel provisions	0	295	158	42	14	109
Provision for onerous contracts	0	11,735	2,007	2,258	667	8,136
Provisions for returns	2,805	531	3,021	0	3,536	3,851
Provisions for litigation risks	20	869	4	0	0	885
Other provisions	492	488	201	0	115	893
	3,317	**13,917**	**5,391**	**2,300**	**4,332**	**13,875**
	3,801	**13,917**	**5,580**	**2,300**	**4,332**	**14,170**

The provisions for returns were recognized for risks from expected returns of goods from Blu-ray and DVD sales. The Group's provisions for returns are based on an analysis of contractual and statutory obligations, historical trends, and the Group's past experience.

The provisions for contingent losses are explained under item 18 „Intangible assets."

32. FINANCIAL LIABILITIES

in € thousand	**31/12/2015**	31/12/2014
Bonds	15,083	0
Liabilities to banks	73,645	72,583
Other financial liabilities	2,000	0
	90,728	**72,583**

Analysis of the maturity of financial liabilities:

		1 year		2 years		3 years		3+ years	
in € thousand	Carrying amount 31.12.15	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest
Non-derivative financial liabilities									
Bonds	15,083	15,225	480	0	0	0	0	0	0
Liabilities to banks	73,645	47,151	2,392	12,138	1,030	8,709	664	5,648	254
Other financial liabilities	2,000	2,000	40	0	0	0	0	0	0

		1 year		2 years		3 years		3+ years	
in € thousand	Carrying amount 31.12.14	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest
Non-derivative financial liabilities									
Bonds	0	0	0	0	0	0	0	0	0
Liabilities to banks	72,583	28,661	2,459	19,079	2,279	10,486	929	14,357	1,781
Other financial liabilities	0	0	0	0	0	0	0	0	0

BONDS

In the fiscal year, Wild Bunch AG repaid unsecured bearer bond notes of € 10,000 thousand. The bonds bear interest of 12% annually until the date of repayment and were repaid at 101.5% of their nominal value on 25 March 2015. The issuer paid quirin bank AG, Berlin, a placement fee of 5.26% of the gross issue proceeds for the placement of the bond. The tranche placement fee is 95.00% and 97.33% of the nominal amount. The effective interest rate of the two bond tranches came to 27.22% and 28.53%, respectively, p.a.

On 25 March 2015, Wild Bunch AG successfully placed a bond offer in a private placement. Institutional investors subscribed for the issued bonds with a term of 12 months for a total nominal amount of around € 11.8 million. On 25 June 2015, the placement of the remaining bonds which were part of the € 15 million bond issued in March 2015 was completed. The outstanding bonds totaling € 3.2 million have been subscribed to by institutional investors. The proceeds serve to secure liquidity, repay the existing bond of € 10 million which was due in March 2015, as well as the repurchase of the remaining outstanding bonds issued in 2011 in the amount of € 0.4 million and finance operating activities. The issuer paid quirin bank AG, Berlin, a placement fee in the amount of € 450 thousand. The effective interest rate of the two bond tranches amounted to 15.8%.

On 24 March 2016, Wild Bunch AG had duly repaid all of these outstanding bonds at 101.5% of their nominal value including interest resulting in an overall nominal redemption of € 15.7 million.

LIABILITIES OF WILD BUNCH AG TO BANKS

In fiscal year 2015, a money market loan of € 10.0 million (previous year: € 10.0 million) with a multi-year term was extended with the UK branch of the Israeli bank Bank Leumi (UK) plc, London, for six months until January 2016 and was increased to € 15.0 million. The master loan agreement enabled Wild Bunch AG and the German Group companies to obtain interim financing for receivables arising from exploitation agreements over a period of up to two years, thereby minimizing the period over which their own capital is tied up. The interest rate on the loan amounted to 5.3% until the extension of the agreement in the business year and after that, it was reduced to 4.8%. According to the loan agreement, the bank receives a minimum interest rate of 1.30% plus a 4.0% or 1.30% plus a 3.50% margin if the LIBOR is below 1.30%. If the LIBOR exceeds 1.30%, the interest rate is calculated as LIBOR plus a 3.50% margin. As of the reporting date, € 5,782 thousand of the lending facility had been drawn. The bank also charges a commitment fee for each day on which the outstanding advances are greater than 50% of the facility limit of 0.75% of the unused portion and for each day on which the outstanding advances are less than or equal to 50% of the facility limit of 1.5% of the unused portion. The loan was secured with trade receivables, intangible assets and the shares held in Senator MovInvest GmbH.

LIABILITIES OF THE OPERATING GROUP COMPANIES

The operating Group companies of Wild Bunch AG had the following loan commitments as of the balance sheet date:

Wild Bunch S.A.

In fiscal year 2015, there was a loan of € 20,000 thousand that was granted to Continental Films SAS in 2013 and adjusted in 2015 to refinance the loan from Citi. The loan has a term to maturity until 22 October 2018 and an interest rate of 2.75% above the EURIBOR (12M) in addition to the payment of a commitment fee of 1.75%. As of the balance sheet date, the loan amounted to € 13,125 thousand. This loan is secured in the same amount by film rights held by Continental Film SAS and by assigning the proceeds from marketing these films.

In addition, Wild Bunch S.A. extended a working capital credit limit in fiscal year 2015 that was granted in 2013 by a French banking consortium consisting of the commercial banks Natixis Coficine ("Coficine," Lead Manager), Banque Palatine ("Bank Palatine"), Banque Espirito Santo et de la Venetie ("BESV") and Banque Neuflize OBC ("OBC," with the banks jointly forming the "banking pool") until 22 October 2018. The credit limit is € 10,000 thousand, the interest rate is 2.75% above the EURIBOR (12M), and a commitment fee of 1.75% was also charged. The loan is secured by pledging shares of Wild Bunch S.A. subsidiaries and by participating in the proceeds from marketing films from Continental and Wild Bunch S.A. film libraries that were released before 31 December 2014.

Furthermore, in the fiscal year, the bank pool granted Wild Bunch S.A. and Continental Films SAS an acquisition loan originally for € 20,000 thousand in 2012 plus another € 8,000 thousand to total € 28,000 thousand, which has a term until 30 September 2016. This loan is utilized in the amount of € 13,193 thousand and secured by film rights.

On 13 February 2015, Wild Bunch S.A. signed a loan agreement with Coficine on a credit line of € 2,200 thousand to acquire various films, which it increased by € 874 thousand to € 3,074 thousand total over the course of the year with Coficine's consent. The loan has an interest rate of 2.00% above the EURIBOR and was granted in ex-change for a commitment fee of 1.00% of the total loan amount and by pledging film rights and the transfer of proceeds from the acquired films. The loan has a term until 13 February 2017. As of the balance sheet date, the loan has yet to be repaid in the amount of € 1,529 thousand.

Wild Bunch S.A. also made use of a so-called overdraft loan from Bank Palatine in the amount of € 748 thousand in the fiscal year, which was made available to Wild Bunch S.A. in the amount of € 750 thousand at an interest rate of 1.5% above the EURIBOR (3M). On the balance sheet date, which also represents the end of the loan term, the loan was still due in the amount of € 748 thousand. Wild Bunch S.A. has reached an agreement with Bank Palatine to defer the maturity of this loan.

Bank Palatine granted yet another loan to Wild Bunch S.A. in the amount of € 2,000 thousand in the fiscal year with a term until 10 July 2016 and an interest rate of 2.00% above the EURIBOR (3M). As of the balance sheet date, the loan still amounted to € 1,022 thousand. Wild Bunch S.A. provided the bank with collateral (proceeds from certain films) in the amount of € 1,022 thousand in return for the loan.

In addition, Wild Bunch S.A., Wild Bunch Distribution SAS and Wild Side Films SAS used an overdraft loan from OBC in the amount of € 3,000 thousand that has an interest rate of 2.00% above the EURIBOR (3M). This loan has an indefinite term. As of the balance sheet date, the loan still amounted to € 3,000 thousand. Wild Bunch S.A. used the rights to and the proceeds from certain films as collateral for the loan that was paid out. There was another credit line with OBC in the amount of € 500 thousand in the fiscal year, of which Wild Bunch S.A. had used € 132 thousand as of the balance sheet date. Wild Bunch S.A. provided collateral in the same amount.

For the purchase of the film RED TURTLE, BESV granted Wild Bunch S.A. a film acquisition loan in the amount of € 1,869 thousand. The loan has an interest rate of 2.15% above the EURIBOR (3M) and a term to maturity until 24 December 2016. Wild Bunch S.A. paid a commitment fee of 0.25% of the loan total to BESV for providing the loan. Wild Bunch S.A. provided collateral in the amount of € 1,815 thousand to receive the loan, mainly by assigning the proceeds from and the rights to the film that was funded.

Wild Bunch S.A. used another overdraft loan from the bank HSBC in the fiscal year, which was granted in the amount of € 1,000 thousand at an interest rate of 2.50% above the EURIBOR (3M). As of the balance sheet date, € 999 thousand of that loan had yet to be paid back. Wild Bunch S.A. provided collateral in the amount of € 999 thousand to receive the loan.

The bank BNP granted Wild Bunch S.A. an overdraft loan of € 1,500 thousand in the fiscal year at an interest rate of 2.50% above the EURIBOR (3M), of which Wild Bunch S.A. has used € 1,498 thousand. As of the balance sheet date, the loan was still due in this same amount. Wild Bunch S.A. provided collateral in the amount of € 1,498 thousand to receive this loan.

Wild Bunch S.A. was also granted an acquisition loan by Coficine in the amount of € 3,040 thousand with a term to maturity until 11 March 2016 in the fiscal year. This loan, which has an interest rate of 2.00% above the EURIBOR (12M) and was granted in exchange for a commitment fee of 1.00%, was secured on the balance sheet date by assigning the revenues from certain films in the amount of € 726 thousand.

A purchase loan granted by Coficine in 2014 in the amount of € 5,000 thousand with a term to maturity of 30 December 2015 was granted to Wild Bunch S.A. in 2014. This loan has an interest rate of 2.00% above the EURIBOR (12M) and was granted in exchange for a commitment fee of 1.00%. € 1,575 thousand of the loan is utilized as of the balance sheet date. The loan is secured by assigning the revenues from certain films.

Furthermore, in the fiscal year, Wild Bunch S.A. was granted a revolving credit line by the banks Coficine and OBC for the acquisition of various film titles. The credit line amounts to € 7,000 thousand, the interest rate is 2.00% above the EURIBOR (12M) and a commitment fee of 1.00% was paid. The loan was secured on the balance sheet date by assigning distribution rights to and proceeds from certain films amounting to € 5,477 thousand.

In addition, Coficine granted Wild Bunch S.A. a loan in the amount of € 7,300 thousand with an interest rate of 3.00% above the EURIBOR (12M) in the fiscal year, of which Wild Bunch S.A. has used € 6,084 thousand.

Finally, Wild Bunch S.A. received a loan from Coficine in the amount of € 6,340 thousand in the fiscal year, of which Wild Bunch S.A. used € 2,776 thousand. The loan has an interest rate 2.00% above the EURIBOR (12M) and was subject to a commitment fee of 1.00%. The loan is collateralized by Wild Bunch S.A. in the amount received.

Continental Films SAS

Continental Films SAS was granted a loan of € 8,000 thousand by Coficine in the fiscal year with a term until 16 March 2016. This loan, which has an interest rate of 2.00% above the EURIBOR (12M), was granted in exchange for a commitment fee of 1.00%. As of the balance sheet date, the loan was utilized by € 226 thousand. The loan was secured by assigning the proceeds from certain films.

In addition, Coficine granted a € 500 thousand loan to Continental Films SAS, which has an interest rate of 2.00% above the EURIBOR (12M) and was granted for a commitment fee of 1.00%. As of the balance sheet date, this loan was secured by assigning the proceeds from certain films in the amount of the loan.

BIM Distribuzione Srl

BIM Distribuzione Srl was granted a loan by Banca Nationale di Livoro (“BNL”) in the amount of € 858 thousand in the fiscal year under which claims from TV sales are being forfeited in exchange for an interest rate of 2.06%.

Furthermore, there was another loan from BNL in the amount of € 500 thousand in the fiscal year with which claims from other contracts are being forfeited in exchange for an interest rate of 2.81%.

Vértigo Films S.L.

Vértigo Srl was granted two unsecured operating loans from Banco Santander in the amount of € 20 thousand and € 16 thousand, each at fixed interest rates of 6.20% or 5.71%.

In addition, Vértigo Srl had an unsecured loan in the amount of € 365 thousand with a variable interest rate of 5.39% from the bank BBVA.

Vértigo Srl also had three discounted forfeiting lines from Bank Ibercaja for income of up to € 140 thousand from TV sales of the film “DTS” with an interest rate of 2.45%, for income from the film “Kiki” up to € 790 thousand with an interest rate of 2.00%, and income from TV sales of the film “Blood Father” up to € 360 thousand with an interest rate of 3.37% The loans are collateralized in the amount granted.

Furthermore, Vértigo Srl had a discontinued forfeiting line with the bank Banca Sabadell for income of up to € 270 thousand from TV sales of the film “Philomena” that has an interest rate of 5.80%.

Senator Film Köln GmbH

In October 2014, Senator Film Köln GmbH, Cologne, received a further interim financing loan for the EIN ATEM project. The line of credit amounts to € 1.0 million and had been utilized in the amount of € 350 thousand as of the reporting date. In the fiscal year, the interest rate amounted to 6.67% p.a. (EURIBOR plus a margin of 6.50%). The bank is also entitled to an arrangement fee of 0.50% p.a. from the third month after the conclusion of the agreement. The loan was secured by claims against film funding agencies and against Senator Film Verleih GmbH, Berlin, as well as through the assignment as security of all film rights and pledging material from the film project receiving interim financing.

Senator Film Produktion GmbH

In September 2015, Senator Film Production GmbH, Berlin, received a further interim financing loan for the project OLAF IN LOVE. The line of credit amounts to € 1,040 thousand and had been utilized in the amount of € 305 thousand as of the reporting date. In the fiscal year, the interest rate amounted to 4.25% p.a. The bank is also entitled to a commitment fee of 0.50% p.a. of the unused portion. The loan was secured by claims against film funding agencies and against Wild Bunch Germany GmbH, Munich, as well as through the assignment as security of all film rights and pledging material from the film project receiving interim financing.

OTHER FINANCIAL LIABILITIES

On 16 November 2015, Wild Bunch AG and Sapinda Asia Ltd., Tortola, British Virgin Islands entered into a loan agreement under which Wild Bunch AG's subsidiary Wild Bunch S.A., Paris, France, has directly received a loan payment in the amount of € 2.0 million. The loan is subject to an interest rate of 2% p.a., payable at the earlier of the redemption of the loan through issuance of bonds worth the loan amount or as of 31 December 2016.

OTHER NOTES

The vast majority of film rights and trade receivables serve as collateral for liabilities to credit institutions. As of the balance sheet date, the secured loans amounted to € 73 million (previous year: € 73 million). In addition, the principal direct and indirect interests in the Group companies were assigned to the lending banks as collateral. In addition, there are credit lines of € 16.7 million that were not utilized on the balance sheet date, whereby the use of film rights and trade receivables that are eligible under the terms of the credit agreements is conditional.

Apart from those mentioned, the Group has no other lines of credit.

Non-current financial liabilities as of 31 December 2015 comprise the following utilization levels, interest rates and terms:

	31 Dec 2015 in € thousand	Effective interest rate as a%	Maturity
Liabilities to banks			
Bank Leumi, London, UK	944	5.3	January 2017
COFICINE, Paris, France	16,927	4.5	2017–2019
Bankenpool, Paris, France	6,759	3.0	2017–2018
Ibercaja, Madrid, Spain	790	2.0	2017
Ibercaja, Madrid, Spain	140	2.46	2017
Ibercaja, Madrid, Spain	300	3.37	2017
Banco Sabadell, Madrid, Spain	270	5.8	2017
Credit Bail Madrid, Spain	365	5.39	2017

33. LIABILITIES FROM GOODS AND SERVICES

Liabilities from goods and services totaled € 85,335 thousand (previous year: € 68,091 thousand) as of the balance sheet date, of which € 30,315 thousand (previous year: € 28,184 thousand) was attributable to liabilities from fixed assets.

The liabilities as of December 31, 2015 were partially overdue (€ 1,800 thousand). The liabilities were paid in fiscal year 2016 and 2017, respectively, deferral agreements were entered into.
As of the previous year's balance sheet date, there were no overdue trade payables. For technical reasons, the above statement could not be made for the companies of the former Wild Bunch S.A. Group.

34. OTHER CURRENT LIABILITIES

Other current liabilities comprise the following:

in € thousand	2015	2014
Other financial liabilities		
Licensor transfers	26,276	18,039
Liabilities to film project funding	731	0
Liabilities to production projects	349	0
Other	1,157	844
	28,513	18,883
Other non-financial liabilities		
Deferred income	22,294	24,407
Other tax liabilities	7,661	3,725
Liabilities from social insurance contributions	2,690	5,729
Other	63	0
	32,708	33,861
	61,221	**52,744**

The Group acquires rights from licensors against a minimum guarantee and evaluates the rights over the license period. Revenues from the evaluation, which exceed the minimum warrant and marketing costs, must be settled against the licensors in accordance with contractual regulations.

The deferred income account primarily comprises income from TV contracts and home entertainment contracts which have not yet been realized as revenue due to the availability of the respective right.

(D) NOTES TO THE STATEMENT OF CHANGES IN EQUITY

The equity of the Wild Bunch Group changed during the fiscal year in particular as a result of the capital measures carried out within the scope of the business combination (€ 33,961 thousand), the cash capital increase (€ 2,853 thousand) and the Group result of € -7,253 thousand.

(E) NOTES TO THE STATEMENT OF CASH FLOWS

In accordance with IAS 7 "Statements of Cash Flows," Wild Bunch reports cash flow from operating activities applying the indirect method, according to which the profit or loss for the period is adjusted to reflect the effects of non-cash transactions, deferrals of cash inflows or cash outflows arising from operating activities in the past or the future, and to reflect income or expense items connected with cash flow from investing or financing activities.

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents relate to cash on hand and bank balances, as well as current accounts.

36. CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities comprises the following cash inflows and cash outflows:

in € thousand	**2015**	2014
Income taxes paid	287	1,529
Income taxes refunded	17	0
Interest paid	6,695	3,476
Interest received	18	263

37. CASH FLOW FROM INVESTMENT ACTIVITES

The cash outflow from investing activities is mainly attributable to investments in film exploitation rights and other intangible assets. On the other hand, there are cash inflows of € 6.7 million from the reverse acquisition.

38. CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities is essentially characterized by the cash capital increase carried out in December (see point 25 to point 26) and the change in the scope of consolidation. Please refer to Note 32 for further information on financial liabilities.

(F) FURTHER INFORMATION

39. SEGMENT REPORTING

The Group is split into the following two mandatory reporting operating segments for the purposes of corporate management:

1. The "International Sales and Distribution and Film Production" operating segment comprises international sales and the distribution of films.
2. The "Other" operating segment comprises the film production and music area as well as the VOD platform and other activities.

The Management Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The Group's activities essentially relate to France, Italy, Spain, Germany and Austria and from case to case to other European countries.

No more than 10% of revenue was generated with one business partner in the fiscal year.

All of the segments' results fell short of the expectations of the Management Board.

OPERATING SEGMENTS

The Group conducts most of its business in the following operating segments:

a. International Sales and Distribution and Film Production and
b. Other

The International Sales and Distribution and Film Production operating segment includes international sales as well as the distribution of films in cinemas in France, Italy, Spain, Germany and Austria, and the exploitation of cinema films on television, video and DVD. The other operating segment comprises the film production and music activities as well as the operation of a VOD platform.

OPERATING SEGMENTS

	International Sales and Distribution and Film Production		Other		Total	
in € thousand	**2015**	2014	**2015**	2014	**2015**	2014
Revenues	**114,667**	**127,353**	**2,846**	**3,023**	**117,513**	**130,376**
Film-related income	6,941	11,834	854	2,761	7,795	14,595
Cost of sales	–105,232	–131,279	–3,461	–3,753	–108,694	–135,032
Segment profit/loss	**16,376**	**7,908**	**239**	**2,031**	**16,615**	**9,939**
Other operating income					5,913	2,445
Administrative costs					–24,505	–17,395
Other operating expenses					–1,389	–302
					–3,366	**–5,313**
Financial income					2,205	1,932
Finance costs					–7,637	–4,592
Equity result					–734	2,204
Profit/loss before tax					**–9,531**	**–5,770**

Extraordinary depreciations of € 6,884 thousand (previous year: € 5,651 thousand) and income from the additions of fixed assets € 2,300 thousand (previous year: € 4,698 thousand) are attributable exclusively to the international distribution and rental and film production segment.

The associated assets and liabilities as well as investments in the respective segment comprise the following:

in € thousand	**2015**	2014
Assets		
International Sales and Distribution and Film Production	309,521	246,315
Other	25,699	7,969
Total	**335,220**	**254,284**

in € thousand	**2015**	2014
Liabilities		
International Sales and Distrbution and Film Production	231,059	204,125
Other	31,810	5,577
Total	**262,869**	**209,702**

in € thousand	**2015**	2014
Capital expenditures		
International Sales and Distribution and Film Production	48,918	52,622
Other	3	0
Total	**48,921**	**52,622**

SEGMENT INFORMATION

Segment information was calculated based on the accounting methods used for the consolidated financial statements.

Segment assets represent the assets that the individual segments require for their operation.

Segment liabilities comprise operating liabilities and provisions of the individual segments.

Investments constitute investments in intangible assets and property, plant and equipment.

GEOGRAPHICAL INFORMATION

The activities of the Wild Bunch Group mainly cover France, Germany, Italy and Spain. For geographic segment reporting, revenues and long-term assets are segmented by the Company's registered office. Revenues from the international distribution of film rights (2015: € 28,312 thousand, previous year: € 33,388 thousand) are reported under „Other" because, for technical reasons, it is not possible to allocate them by geographic regions.

The Group achieved revenue in the following regions:

in € thousand	**2015**	2014
Revenue		
France	39,226	58,224
Germany	35,532	19,786
Italy	8,986	13,340
Spain	4,969	5,639
Other	28,800	33,387
Total	**117,513**	**130,376**

in € thousand	2015	2014
Non-current assets*		
France	56,937	64,935
Germany	25,611	16,303
Italy	11,551	12,197
Spain	7,569	6,155
Other	5,856	5,517
Total	**107,524**	**105,107**

*Intangible assets, property, plant and equipment and other long-term assets

in € thousand	2015	2014
Capital expenditures		
France	24,611	36,863
Germany	17,061	10,152
Italy	3,130	3,364
Spain	4,119	2,243
Other	0	0
Total	**48,921**	**52,622**

40. FINANZINSTRUMENTE / MANAGEMENT VON FINANZRISIKEN

The fair value of financial instruments – except for foreign exchange derivatives – was calculated by discounting the expected future cash flows using market interest rates and approximately corresponds to the carrying amount (Level 3).

The Group uses forward exchange contracts to manage some of its transaction exposures. The period for which the forward exchange contracts are concluded corresponds to the period in which a foreign currency risk exists for the underlying business events, usually one to twelve months. The forward exchange contracts are measured at the fair value on the reporting date.

The following table presents carrying amounts of financial assets and liabilities:

in € thousand	31 Dec 2015 Carrying amount	Amortized cost	Fair value	31 Dec 2014 Carrying amount	Amortized cost	Fair value
Financial assets						
Investments	1,140	1,140		900	900	
Trade receivables	50,534	50,534		42,829	42,829	
Other financial assets						
Receivables from loans and claims	22,689	22,689		17,755	17,755	
Forward exchange transactions	49	0	49	0	0	
Cash and cash equivalents	8,639	8,639		6,444	6,444	
Total	**83,051**	**83,002**	**49**	**67,928**	**67,928**	

in € thousand	31 Dec 2015 Carrying amount	Amortized cost	Fair value	31 Dec 2014 Carrying amount	Amortized cost	Fair value
Financial liabilities						
Financial liabilities	90,729	90,729		72,583	72,583	
Accounts payable trade	85,335	85,335		68,091	68,091	
Other liabilities	28,513	28,513		18,883	18,883	
Total	**204,576**	**204,576**		**159,557**	**159,557**	

Foreign currency derivatives are valued as financial assets at fair value through profit or loss. All other financial instruments are included in the line item loans and receivables and are recognized using the effective interest rate method.

in € thousand	31 Dec 2015 Carrying amount	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial instruments	49	0	0	49
Liabilities measured at fair value				
Other financial liabilities				
Currency hedging transactions	0	0	0	0

There were no transfers between the level 1 and level 2 fair value measurement levels in either the fiscal year or the prior year.

	31 Dec 2014			
in € thousand	Carrying amount	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial instruments	0	0	0	0
Liabilities measured at fair value				
Other financial liabilities				
Currency hedging transactions	0	0	0	0

GENERAL

Due to its operating activities, the Group is subject to the following risks:

- Credit risks,
- Liquidity risks,
- Market risks.

Market risks also comprise risks arising from changes in interest rates.

The following section describes

- the risks for the respective risk category that Wild Bunch has identified as being relevant for the Group,
- the objectives, rules and processes in place to identify risk, and to handle the risks of the Group.

The Wild Bunch Group has a central approach to financial risk management in the form of a portfolio to identify, measure and manage risks. The risk items derive from the cash-effective inflows and outflows that are applied and planned at Group level as market risks relating to changes in interest rates, prices and foreign currency exchange rates. Interest rate and price risks are managed using a mix of terms as well as fixed and variable interest items.

CREDIT RISK

Credit risk is the risk of a customer or contractual partner of the Group defaulting on payment, resulting in the assets, investments or receivables disclosed in the consolidated statement of financial position having to be written down. Consequently, the risk is limited to the carrying amount of these assets.

Credit risks mainly result from trade receivables. The entities included in the consolidated financial statements monitor their customers' creditworthiness on a regular basis.

There were no indications of defaults of payments for the trade receivables that had not been impaired as of 31 December 2014 and 2015.

LIQUIDITY RISKS

There are certain liquidity shortages for the Wild Bunch Group that have arisen due to the time lag in a cash capital increase and the implementation of a credit agreement. The capital increase of € 15.22 million was concluded at the beginning of 2016. In addition, as of the balance sheet date, there was a clear overhang of short-term liabilities in relation to current assets as well as existing obligations for future film rights purchases. In addition to the interim implementation of a credit agreement with Bank Leumi, the Company has initiated further measures to improve this undercover. In fiscal year 2016, negotiations were held with suppliers and some new payment targets were agreed. Additional measures to improve the balance sheet structure, e.g. through capital measures, are planned.

The framework credit agreement concluded in April 2017 with a volume of up to € 30 million may be due by the bank in the event of a breach of agreed financial covenants (including EBITDA ratio and equity minimum). According to the current plan, the Management Board expects to meet the financial covenants. In addition, there are other contractual reporting requirements, the violation of which may also result in the bank being able to make the loans due. These contractual reporting requirements also include the submission of consolidated financial statements for fiscal year 2016, which are accompanied by an unqualified audit opinion. In particular, in the event of a worsening of the Group's economic situation, there is a risk that the financial covenants cannot be met. Furthermore, there is no risk that the consolidated financial statements for fiscal year 2016 will not be issued with an unqualified audit opinion and that the bank will exercise its resulting right to have the loan repaid. In these cases, the continuation of the Group is dependent on the fact that it is possible to absorb additional funds to the extent required.

The Group strives to maintain or expand the market position, which requires substantial financial resources to market the acquired film rights. If the expected earnings contributions from these acquisitions do not develop as planned and the operating business of the subsidiaries falls short of expectations, the Company's continuation depends on the fact that the Company is able to obtain further funds to the extent required. In addition, the continuation of the Group presupposes that in the period up to 30 September 2018, the addition of additional funds of € 50 million to € 60 million will primarily be used to refinance the existing loan liabilities of the French companies as part of an expansion financing with Bank Leumi or other financing.

RISKS FROM WARRANTY GRANTING

In 2008, the then Senator Group sold a film rights package to MPG Secure Two LLC (MPG II). To finance the acquisition of film rights, MPG II has now taken out a loan. Senator AG and various subsidiaries have various guarantees within the framework of the financing, inter alia with regard to the processing of the film rights evaluation. It cannot at present be ruled out in full that, in particular, Wild Bunch AG will be used under the guarantees for payment. This could have a significant impact on the assets, financial and earnings position of the Wild Bunch Group. The Management Board does not assume that a claim will be made.

MARKET RISKS

a. Currency risks

Purchases and sales in foreign currencies can result in risks to Wild Bunch depending on the development of exchange rates. Purchases can become more expensive due to exchange rate effects and sales realized in foreign currencies can result in a lower level of revenue in euros.

At Wild Bunch, larger foreign currency risks stem primarily from purchasing in US dollars. Various hedges were concluded relating to foreign currency purchases in order to reduce currency risks in the fiscal year.

Sensitivity analyses pursuant to IFRS 7 were performed for statement of financial position items in US dollars with the following result: If the exchange rate had been 10% higher or lower as of the reporting date, earnings would have been € 27 thousand higher or € 25 thousand lower (prior year: € 0 thousand or € 0 thousand). For technical reasons, the above sensitivity analysis could not be carried out for the companies of the former Wild Bunch S.A. Group.

b. Interest rate risks

Fixed and variable interest is agreed for the Group's interest-bearing receivables and liabilities. Changes in market rates for liabilities with fixed interest would only have an impact if these financial instruments were recognized at fair value. As this is not the case, financial instruments with fixed interest that are measured at amortized cost do not constitute interest rate risks as defined by IFRS 7.

Sensitivity analyses pursuant to IFRS 7 were performed for variable-interest financial liabilities with the following result. If the market interest level had been 100 basis points higher in the fiscal year, earnings would have been about € 700 thousand lower (prior year: € 700 thousand). If the market interest level had been 100 basis points lower in the fiscal year, earnings would have been € 700 thousand higher (prior year: € 700 thousand).

41. EMPLOYEES

The average number of employees in the fiscal years is as follows:

in € thousand	**2015**	2014
France	102	102
Germany	47	9
Italy	14	14
Spain	12	11
Ireland	1	0
Austria	1	0
	177	**136**

42. RELATED PARTIES

Related parties in the meaning of IAS 24 are persons or entities that can be influenced by the Group or that can influence the entity unless they are already included in the consolidated financial statements as consolidated entities. In the period from 26 November 2014 to 22 September 2015, the Group was directly controlled by SWB Entertainment Investment B.V., Schiphol, the Netherlands. This was ultimately dominated by a chain of additional companies by Consortia Partnership Ltd., Jersey. Consortia Part-nership Ltd. is a subsidiary of the Consortia Part-nership Ltd. Sapinda Deutschland GmbH is also a well-known company.

Members of the Management Board and the Supervisory Board of Wild Bunch AG as well as their close family members are considered related parties (see note 47 “Members of the Management Board and Supervisory Board”).

The Company considers Sapinda Asia Ltd., British Virgin Islands („Sapinda Asia") to be a closely related company. Sapinda Asia temporarily held 3.68% of the voting rights of the Company during the fiscal year. Mr. Lars Windhorst, who in turn receives 3.58% of these voting rights, is subject to disclosure requirements for Sapinda Asia so that the Company assumes that Mr. Lars Windhorst controls Sapinda Asia. Until 18 January 2016, Sapinda Asia also held 21.45% of the voting rights in financial instruments. Mr. Lars Windhorst is a beneficial economic beneficiary within the chain of companies of the Sapinda Group, which controls the companies, and the companies that control them, with Consortia Partnership Ltd. at the top.

Please refer to note 48 "Total remuneration of the Supervisory Board and the Management Board" for more information concerning the total remuneration of the Management Board and Supervisory Board of Wild Bunch. Current liabilities of € 65 thousand relate to remuneration and travel cost reimbursement for the Management Board as of 31 December 2015 (prior year: current liabilities of € 0 thousand). Current liabilities to Supervisory Board members amounted to € 17 thousand (prior year: € 0 thousand).

In addition, the Company had business relationships with the following related parties:

Sapinda Asia Ltd. granted Wild Bunch AG a loan of € 2 million with an interest rate of 2% p.a. in November 2015.

To the associated company Circuito Cinema srl, Rome, Italy (hereinafter referred to as Circuito Cinema), receivables amounting to € 274 thousand (previous year: € 75 thousand) and liabilities were held by the Group company BIM s.r.l., Rome, Italy, in the amount of € 135 thousand (previous year: € 19 thousand). In the fiscal year, Circuito Cinema reimbursed cinema revenues in the amount of € 237 thousand (previous year: € 478 thousand) with the associate and Group company BIM s.r.l, Rome, Italy. In the fiscal year, Circuito Cinema provided services for the marketing of films for the associate BIM s.r.l., Rome, Italy, in the amount of € 614 thousand (previous year: € 492 thousand).

In addition, there are no material transactions with the other associated companies.

43. OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

Legal proceedings as well as receivables from litigation from the normal course of business could be asserted against Group entities in the future. The related risks are analyzed based on their likelihood of occurrence. Although the results of such legal disputes cannot always be estimated precisely, the Management Board is of the opinion that any such risks extending beyond those accounted for in the financial statements will not result in significant obligations.

The Group reported the following fixed financial obligations as of 31 December:

	31 Dec 2015				31 Dec 2014			
in € thousand	Total	Remaining time up to 1 year	Remaining time between 1 and 5 years	Remaining time more than 5 years	Total	Remaining time up to 1 year	Remaining time between 1 and 5 years	Remaining time more than 5 years
Rent and leases	9,936	1,513	5,343	3,080	1,088	963	125	0
Minimum guarantees	68,736	65,117	3,619	0	53,823	47,735	6,088	0
	78,672	**66,630**	**8,962**	**3,080**	**54,911**	**48,698**	**6,213**	**0**

The leasing and leasing conditions are essentially the handling of office space. There are no renewal options for these leases.

The financial obligations from minimum guarantees as of 31 December 2015 are mainly stated with a residual term of up to one year, but the completion dates for the individual films are often subject to uncertainties and may be delayed in some cases.

There are contingent liabilities in the Group for funding loans that can be repaid due to success (€ 12,187 thousand, previous year: € 0 thousand). However, these funding loans are only to be attributed to pro rata future revenues that exceed costs. At present, the Company does not expect these loans to need to be repaid.

44. ONTINGENT LIABILITIES

Liabilities such as guarantees and similar existed as of the balance sheet date.

45. AUDITOR'S FEES AND SERVICES

In the fiscal year, the total fees charged by Deloitte GmbH Wirtschaftsprüfungsgesellschaft to Wild Bunch Group companies breaks down as follows:

in € thousand	**2015**	2014
Audit services	1,000	0
Tax auditory services	0	0
Other services	129	0
	1,129	**0**

46. STATEMENT OF COMPLIANCE TO THE GERMAN CORPORATE GOVERNANCE CODE

The declaration on the Corporate Governance Code required by section 161 of the German Stock Corporation Act (AktG) was submitted and made permanently accessible to the shareholders by publication on the Company's website and in the Electronic Federal Gazette.

47. MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Management Board

Max Sturm, CFO
Businessman

Vincent Grimond, CEO (since 5 February 2015)
Businessman
Chairman of the Management Board

Brahim Chioua, COO (since 5 February 2015)
Businessman

Vincent Maraval, CCO (since 5 February 2015)
Businessman

Supervisory Board: Wolf-Dieter Gramatke, Hamburg

- Chairman (since 15 June 2015)
- Deputy Chairman (until 15 June 2015)

Independent media maneger and consultant, Great-Minds Consultants Entertainment – Media-e-business GmbH, Hamburg

Hans Mahr, Köln (since 30 June 2015)

- Deputy Chairman

Journalist and owner of mahrmedia, Cologne

Tarek Malak, Berlin (since 5 June 2014)
Managing Director of Sapinda International Services B.V., Schiphol, Netherlands

Prof. Dr. Katja Nettesheim, Berlin (since 12 September 2014)
General Manager of MEDIATE Nettesheim & Partner, management consultant, Berlin

Benjamin Waisbren, Chicago, USA (since 30 June 2015)
Partner at Winston and Strawn, Chicago, USA
President of LSC Film Corp. (film coproduction fund)

Pierre Tattevin, Paris, France (since 30 June 2015)
Partner and Managing Director, Lazard Frères, Paris, France

Dr. Andreas Pres, Hamburg (until 15 June 2015)

- Chairman

Independent management consultant, General Manager of Premium Restructuring Office GmbH, Hamburg,
and General Manager of CROC YARD PRODUCTIONS GmbH, Hamburg

Norbert Kopp, Leverkusen (until 30 June 2015)

- Deputy Chairman (from 15 June to 30 June 2015)
- Businessman

General Manager of
KTB Technologie Beteiligungsgesellschaft mbH & Co. KG, Leverkusen

In addition, the following Supervisory Board members are also members of the following statutory Supervisory Boards or comparable bodies:

Wolf-Dieter Gramatke

- DEAG Deutsche Entertainment AG, Berlin (Chairman)
- DEAG classic AG, Berlin (Chairman)

Hans Mahr

- Adsociety, Beijing, People's Republic of China

Tarek Malak (since 4 November 2015)

- Ichor Coal N.V. Johannesburg, South Africa

Norbert Kopp

- MuM Mensch und Maschine Software SE, Wessling
- HNE Technologie AG, Augsburg

Prof. Dr. Katja Nettesheim

- HRpepper GmbH & Co. KGaA, Berlin
- Börsenverein des Deutschen Buchhandels Beteiligungsgesellschaft mbH (since 6 October 2015)

48. TOTAL REMUNERATION OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

The following disclosures on Management Board remuneration are disclosures required by HGB in the notes to the financial statements (cf. Sec. 314 HGB) and disclosures prescribed by provisions of the German Corporate Governance Code.

Mr. Grimond's fixed remuneration comprised his salary for fiscal year 2015 (€ 233 thousand; prior year: € 114 thousand).

Mr. Chioua's fixed remuneration comprised his salary for fiscal year 2015 (€ 233 thousand; prior year: € 114 thousand).

Mr. Maraval's fixed remuneration comprised his salary for fiscal year 2015 (€ 232 thousand; prior year: € 105 thousand).

Mr. Strum's fixed remuneration comprised his salary for fiscal year 2015 (€ 252 thousand; prior year: € 246 thousand), allowance to social security (€ 2 thousand; prior year: € 2 thousand), a contribution to term life insurance (€ 2 thousand; prior year: € 3 thousand); a contribution to group accident insurance (€ 1 thousand; € 1 thousand) as well as an allowance for vehicle use (€ 18 thousand; prior year: € 18 thousand).

All Management Board members are also entitled to a short-term incentive (STI) amounting to 1% of the achieved EBT for the entire Wild Bunch Group according to IFRSs pursuant to Wild Bunch's audited group financial statement for the past year, provided that the target EBT is attained or exceeded. The target EBT is for fiscal year 2015 € 4,500 thousand, for fiscal year 2016 € 5,000 thousand and for fiscal year 2017 € 5,500 thousand. According to this, the bonus to be paid amounts to a maximum of € 125 thousand p.a. In addition, in the respective subsequent year, all Management Board members will receive a long-term incentive (LTI) from 2015 to 2017 equivalent to 1% of the achieved average EBT for the entire Wild Bunch Group according to IFRS pursuant to Wild Bunch's audited group financial statement for the respective relevant fiscal years, provided that the target average EBT is attained or exceeded. The target average EBT is € 4,500 thousand for fiscal year 2015, € 4,750 thousand for fiscal year 2016, € 4,750 thousand for 2015 and 2016, and € 5,250 thousand for fiscal years 2015, 2016 and 2017. According to this, the bonus to be paid amounts to a maximum of € 150 thousand p.a. Wild Bunch's Supervisory Board has the right to decide upon an additional voluntary management bonus for extraordinary services. This voluntary management bonus shall amount to a maximum of € 100 thousand per year.

Mr. Sturm was granted a voluntary management bonus of € 50 thousand in 2015, which was paid in January 2016. Mr. Maraval was granted and paid a voluntary management bonus of € 25 thousand in 2015 for the year 2014.

The total remuneration of the Management Board for fiscal year 2015 amounts to € 1,024 thousand (previous year: € 358 thousand)

In the event of incapacity for work, the members of the Management Board receive their remuneration (fixed and performance-related remuneration) for a period of six months, but at most until the termination of the employment relationship. The same shall apply in the event of the death of the member of the Management Board for his/her surviving spouse or partner.

In the event of a change of control event, or in the case of dismissal or exemption from the service obligations, the members of the Management Board have an extraordinary right of termination. In this case, Mr. Grimond, Mr. Chioua and Mr. Maraval will be entitled to their total remuneration (fixed salary and performance-related remuneration) until the end of the normal term of the contract, at most equal to the total remuneration for two years. Such contractual provisions do not exist for Mr. Sturm.

The Company has entered into a D & O insurance policy for the Company's corporate bodies.

The total remuneration of the members of the Supervisory Board for the fiscal year from 1 January to 31 December 2015 breaks down as follows:

Supervisory Board	Remuneration	Cost reimburements	**Total**
Aufsichtsrat			
Wolf-Dieter Gramatke	21,082	1,984	23,066
Hans Mahr	10,000	0	10,000
Tarek Malak	16,000	0	16,000
Prof. Dr. Katja Nettesheim	16,000	368	16,368
Benjamin Waisbren	8,000	0	8,000
Pierre Tattevin	8,000	0	8,000
Dr. Andreas Pres	10,005	1,484	11,489
Norbert Kopp	8,000	1,676	9,676
	97,087	**5,512**	**102,599**

49. SHARES HELD BY BOARD MEMBERS

As of the 31 December 2015 reporting date, the Board members listed below held the following shares in Wild Bunch AG:

Wolf-Dieter Gramatke	19,215 shares	0.03 %
Pierre Tattevin	1 shares	0.00 %
Vincent Grimond	7,023,531 shares	9.28 %
Brahim Chioua	5,529,543 shares	7.30 %
Vincent Maraval	2,598,111 shares	3.43 %

50. IMPORTANT EVENTS AFTER THE REPORTING DATE

SUCCESSFUL COMPLETION OF A CASH CAPITAL INCREASE

After carrying out a cash capital increase of € 1,391,556 on 17 December 2015, on 8 January 2016, the company increased cash capital again by € 5,372,464 and then by a further amount of € 668,980 on 2 February 2016. With this, the Management Board has exhausted, with but one share remaining, the option granted by the Annual General Meeting to utilize the approved capital for 2015/I by cash capital increase with the exclusion of subscription rights to the extent of 10% of the equity capital. Equity capital now comprises € 81,763,015. The issue price of the new shares was € 2.05 per share, so altogether the Company's gross issue proceeds were about € 15.2 million. The revenue is to be used to strengthen the financing structure of the company, repay liabilities and further implement corporate growth plans. The new shares are entitled to dividends as of 1 January 2015 and were included in the current listing in the partial area of the regulated market (ISIN DE000A13SXB0/WKN A13SXB) in the Frankfurt Stock Exchange General Standard segment.

SALE OF THE SHAREHOLDING IN DEUTSCHFILM GMBH

In March 2016, Wild Bunch sold its fifty percent share in deutschfilm GmbH, a joint venture founded in 2009 by the former Senator Entertainment AG, for € 0 thousand. The purchaser was Anatol Nitschke, the co-shareholder and sole shareholder in the future. The company specialises in German language art house cinema, underwriting award-winning titles such as GOETHE!, DER GANZ GROSSE TRAUM and VICTORIA as the producer or co-producer, and undertook the cinematic distribution of German titles under the auspices of the former company Senator. In the future, Wild Bunch will focus its production business for the German market in Senator Film Produktion GmbH and Bavaria Pictures GmbH. The company remains linked to deutschfilm GmbH with a first look agreement for deutschfilm projects. In 2016, deutschfilm has already brought the boxing drama HERBERT by Thomas Stuber to cinemas in collaboration with Wild Bunch Germany.

REFINANCING OF THE CURRENT BOND IN 2015

On 24 March 2016, Wild Bunch AG successfully placed a bond offer in a private placement. Institutional investors issued bonds with a term of 36 months for a total nominal amount of € 16 million. The bond is repurchased at the rate of 8% per annum up to the date of repayment and is therefore well below the cost of the 2015 repurchased bond. The proceeds serve to secure liquidity, repay existing liabilities and finance operating activities until the comprehensive realignment of the financing structure of the Group.

SALE OF THE INVESTMENT IN X VERLEIH AG, BERLIN

With effect from 23 September 2016, Wild Bunch fully sold its 31.38% stake in X Verleih AG. The sale will lead to a positive contribution of € 0.4 million in the consolidated financial statements of Wild Bunch AG in 2016.

NEGOTIATIONS WITH SUPPLIERS AND BANKS

In addition to the implementation of the credit agreement with Bank Leumi, the company has taken further measures to improve the maturity structure of trade payables and credit liabilities. In fiscal year 2016, negotiations were held with suppliers and banks, and some new payment targets were agreed.

COMPLETION OF GROUP-WIDE FINANCING OF THE COMPANY

To secure the liquidity situation, the Wild Bunch Group concluded a credit agreement with the London-based bank Leumi Plc (UK) on 5 April 2017 for a revolving credit line of € 30 million. The credit line, which runs until 2019, allows the German, Italian and Spanish companies of the Wild Bunch Group and Wild Bunch AG to repay existing financing and to finance their current business. A first drawing of around € 20 million was made on 18 July 2017. In addition, an increase in the credit line was made by the French companies' membership, with the condition of the occurrence of additional conditions of up to € 100 million in the contract intended; for the use of the extended credit line, Bank Leumi Plc (UK) and, as the case may be, other consortium banks are required to re-approve (as described in the section on liquidity risks under section 5.1.3 of the Group management report).

After the balance sheet date 2015, no further events of particular significance with a significant impact on the income, financial or assets of the Wild Bunch Group have occurred.

51. SHAREHOLDINGS OF WILD BUNCH AG, BERLIN

As of 31 December 2015, Wild Bunch AG was directly or indirectly involved in the following companies:

Company	Share	Equity on 31 Dec 2015	Annual result 2015
in € thousand	in %		
Senator Film Köln GmbH, Köln [1]	100.00	–112	0
Senator Film München GmbH, Munich [1]	100.00	–12	0
Senator Film Produktion GmbH, Berlin [1]	100.00	792	0
Senator Film Verleih GmbH, Berlin [1]	100.00	8,900	0
Senator Finanzierungs- und Beteiligungs GmbH, Berlin	100.00	–21	–1
Senator Home Entertainment GmbH, Berlin [1]	100.00	25	0
Senator MovInvest GmbH, Berlin [6]	100.00	30	0
Eurofilm & Media Ltd., Killaloe, Ireland	100.00	–18,037	–6,302
Wild Bunch Austria GmbH, Vienna, Austria [2]	100.00	–91	–119

Company	Share	Equity on 31 Dec 2015	Annual result 2015
in € thousand	in %		
Central Film Verleih GmbH, Berlin[6]	100.00	555	64
Senator Reykjavik GmbH, Berlin[4]	100.00	–367	–387
deutschfilm GmbH, Berlin	50.00	–2,822	–465
Bavaria Pictures GmbH, Munich[3]	50.00	1,360	179
X Verleih AG, Berlin	31.38	3,788	447
Wild Bunch S.A., Paris	100.00	33,881	–5,027
Wild Bunch Germany GmbH, Munich[5]	88.00	2,837	65
BIM Distribuzione s.r.l., Rome[5]	100.00	29,247	–255
Bunch of Talents SAS, Paris[5]	100.00	7	–58
Capricci World, Nantes[5, 8]	33.00	53	–68
Contiental Films SAS, Paris[5]	100.00	1,662	–649
Circuito Cinema s.r.l., Rome[7]	34.40	2,318	–1,642
Elle Driver SAS, Paris[5]	95.00	1,518	8
EWB2 SAS, Paris[5]	100.00	4,330	27
EWB3 SAS, Paris[5]	100.00	6,126	19
Filmoline SAS, Paris[5]	90.00	1,503	–825
Versatile SAS, Paris[5]	95.00	–961	–251
Vértigo Films S.L., Madrid[5]	80.00	–2,903	25
Virtual Films Ltd, Dublin[5]	100.00	8,289	–5
Wild Bunch Distribution SAS, Paris[5]	100.00	3,955	–228
Wild Side Film SAS, Paris[5]	100.00	5,813	–39
Wild Side Video SAS, Paris[5]	100.00	3,685	5

[1] Profit transfer agreement with Wild Bunch AG
[2] indirectly via Senator Film Verleih GmbH, Berlin
[3] indirectly via Senator Film München GmbH, Berlin
[4] indirectly via Senator Film Produktion GmbH, Berlin
[5] indirectly via Wild Bunch S.A., Paris
[6] 50% indirectly via Wild Bunch S.A., Paris
[7] indirectly via BIM Distribuzione s.r.l., Rome
[8] equity and annual result according to local financial statement 2015

Unless otherwise stated, the equity and net income of the companies were reported in accordance with the IFRS financial statements for 2015.

Berlin, 21 September 2017

Wild Bunch AG

Vincent Grimond
Vorstandsvorsitzender (CEO)

Max Sturm
(CFO)

Brahim Chioua
(COO)

Vincent Maraval
(CCO)

RESPONSIBILITY STATEMENT AS OF 31 DECEMBER 2015

We assure to the best of our knowledge that, in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the Group management report includes the business results and the position of the Group as well as the principal opportunities and risks associated with the expected development of the Group.

Berlin, 21. September 2017

Vincent Grimond
(CEO)

Max Sturm
(CFO)

Brahim Chioua
(COO)

Vincent Maraval
(CCO)

AUDITORS' REPORT

We have audited the consolidated financial statements prepared by Wild Bunch AG, Berlin, comprising the balance sheet, the income statement, the statement of cash flows, the statement of changes in equity and the notes to the financial statements, together with the group management report for the fiscal year from 1 January to 31 December 2016. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs [International Financial Reporting Standards] as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

With the exception of the scope limitations described below, we conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined group management report. We believe that our audit, with the exceptions described below, provides a reasonable basis for our opinion.

Our audit has not led to any reservations with the exception of the following qualifications:

In fiscal year 2013, the Group conducted a series of linked transactions. One of these transactions related to the increase in its 50% share in Continental Film SAS (CF) to 100% by way of a step acquisition (purchase price: EUR 1). The other transactions relate to the forgiveness of a loan including interest (EUR 10.7m) granted to CF by CF's co-shareholder, the repurchase by Wild Bunch S.A. of its own shares from CF's co-shareholder (purchase price: EUR 6.3m) as well as the repayment to an affiliate of the co-shareholder of CF of a loan including interest (EUR 20.8m) granted to CF. The allocation of the purchase price for the step purchase as of the acquisition date was largely based on the carrying amounts of CF, which were assumed to correspond to the fair values. This led to negative net assets of EUR 25.5m and thus to recognition of goodwill in the same amount.

Due to the lack of audit evidence, we were unable to conclusively assess whether

a) the determination of the purchase price of EUR 1, taking into account the abovementioned cash flows within the series of linked transactions, and

b) the assumption underlying the accounting treatment that the carrying amounts largely correspond to the fair values are accurate. It therefore cannot be ruled out that other carrying amounts should have been recognized for assets, liabilities and equity in connection with acquisition accounting, including purchase price allocation. We are therefore also unable to conclusively assess the effects as of 31 December 2016 and as of 31 December 2015 of a different accounting treatment on amounts recognized for goodwill, intangible assets and deferred taxes. It therefore cannot be ruled out that the financial statements are misstated in this respect (scope limitation).

The management board corrected errors with regard to the film distribution rights recognized in the balance sheet of EUR 3.1m as of 1 January 2014 and of EUR 5.4m as of 31 December 2014 and made related adjustments to deferred taxes, which overall reduced equity by EUR 2.2m and EUR 3.6m. The supporting documents we received to determine the amount of these corrections of errors cannot be verified by an external expert within a reasonable period of time. We are therefore also unable to conclusively assess whether consolidated profit for 2014 is reported accurately and is therefore comparable with consolidated profit for 2015.

Deferred tax assets on tax loss carryforwards totaling EUR 6.1m as of 31 December 2015, of which EUR 2.7m was offset with deferred tax liabilities on both reporting dates, may not be taken into account due to the lack of evidence of corresponding tax loss carryforwards and a history of losses as well as insufficient taxable temporary differences relating to the same taxation authority and the same taxable entity and the absence of convincing evidence that sufficient taxable income under IAS 12.24 et seq. will be available in the future.

The corresponding disclosures in accordance with IAS 12.82(a) and (b) are also lacking in the notes to the consolidated financial statements.

We are unable to conclusively assess to what extent partial amounts were not recognizable as of 1 January 2014. As of previous tax years.

With regard to to the notes to the consolidated financial statements, the following reservations also apply:

- Note 23: The receivables past due for more than 121 days amount to EUR 13.7m as of 31 December 2015 (prior year: EUR 8.4m). The analysis of this amount required under IFRS 7.37(a) is not provided.
- Note 33: A significant portion of the trade payables of EUR 85.3m as of 31 December 2015 (prior year: EUR 68.1m) is past due. The disclosures pursuant to IFRS 7.7 on the amount and development of past due liabilities after the reporting date are incomplete.
- Note 40: The disclosures required pursuant to IFRS 7.40 on sensitivities of foreign currency items (currency risk) are incomplete.

Subject to these qualifications, in our opinion, based on the findings of our audit, the consolidated financial statements of Wild Bunch AG, Berlin, comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with consolidated financial statements prepared in accordance with the legal requirements, complies with the legal requirements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion further, we draw attention to the comments in the section entitled "Summary of risks to the Company's ability to continue as a going concern" in section 5.1.3 "Financial, accounting and tax risks" of the group management report. This section states that the Group entered into a master credit agreement for up to EUR 30.0m in April 2017. This loan may be called in by the bank in the event of the breach of agreed financial covenants (among others EBITDA margin and minimum equity). According to the current plan, the management board expects to meet the financial covenants. In addition, there are other contractual reporting obligations, the violation of which also allows the bank to make the loans granted due. These contractual obligations include the presentation of consolidated financial statements for fiscal year 2016 on which an unqualified opinion has been expressed. However, there is a risk that the covenants will not be met, especially if the Group's economic situation deteriorates. Moreover, there is a risk that the bank will make use of its right to call in the loan as a result of the presentation of a qualified opinion on the consolidated financial statements for fiscal year 2016. The Group's ability to continue as a going concern in the event of the loan being called in will depend on whether the required amount of funds can be obtained elsewhere at short notice. Moreover, the Group's ability to continue as a going concern also presupposes that in the period to 30 September 2018 another EUR 50.0m to 60.0m can be raised primarily to refinance existing loan liabilities of the French companies under an extension of the abovementioned master credit agreement or some other financing arrangement.

Berlin, 21 September 2017

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