wild bunch

HALF YEAR FINANCIAL REPORT
2018

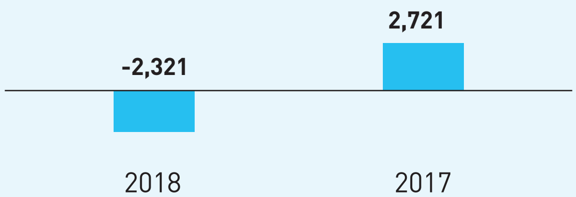



HIGHLIGHTS

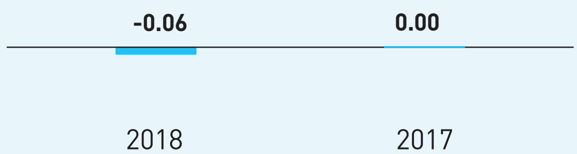
REVENUES
in € thousand

GROSS PROFIT
in € thousand

ADJUSTED EBIT
in € thousand

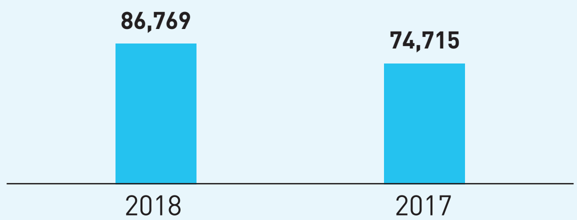


ADJUSTED EARNINGS BY SHARE
in €



CASHFLOW FROM OPERATING ACTIVITIES
in € thousand

NET DEBT
in € thousand



- Revenues below previous year’s level, but overall in line with expectations of the management
- Annual general meeting approves far-reaching capital measures aimed at refinancing and debt reduction
- One-off costs in connection with restructuring burden operating result (EBIT)
- Net debt increased by € 12 million compared to 31 December 2017
- Equity ratio of 27 % remains virtually unchanged
- SHOPLIFTERS by Hirokazu Kore-Eda wins Golden Palm Award at Cannes Film Festival

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BAYERISCHER HOF

INTERIM GROUP MANAGEMENT REPORT

INTERIM GROUP MANAGEMENT REPORT

1.1 PRINCIPLES OF THE GROUP

The principles of the Wild Bunch Group ("**Wild Bunch**" or the "**Group**") published in the 2017 annual report continue to apply. The Group employed an average of 148 employees in the first half of 2018 (30 June 2017: 153 employees).

1.2 ECONOMIC REPORT

1.2.1 MACROECONOMIC AND INDUSTRY-SPECIFIC GENERAL CONDITIONS

1.2.1.1 BUSINESS ENVIRONMENT

Wild Bunch's business activities focus largely on France, Germany/Austria, Italy and Spain. The economic development in these countries is therefore of great significance to the Group. Its international sales and purchasing activities also mean the Group is active in overseas markets, such as the US.

The International Monetary Fund (IMF) expects the global economy to grow by 3.9 % in 2018. The strong trend is expected to continue in 2019. In 2017, however, global growth was only at 3.7 %. Weaker momentum is expected for the euro zone. After growth of 2.4 % in 2017, economic output is expected to grow by only 2.2 % in the current year. Unclear prospects, especially in trade with the US, are weighing on economic expectations.

For Germany, the largest market in the euro zone, the Kiel Institute for the Global Economy (IfW) expects gross domestic product to grow by 1.9 % in the current year.

The IfW expects economic output in France to grow at a rate of 1.6 %. On the other hand, growth is expected to be lower in Italy, where growth of only 1.1 % is forecasted for the current year. Economists expect the greatest momentum in Spain: Here, GDP is expected to grow by 2.6 % in 2018.

After reaching an annual high of USD 1.25, the euro exchange rate fell during the first half of the year below the level at the beginning of the year and reached USD 1.18 in September 2018. In addition to the more restrictive monetary policies of the US Federal Reserve, the slowing momentum in the euro zone is also seen as the cause, not least as a result of the uncertainty regarding trade with the US.

1.2.1.2 INDUSTRY-SPECIFIC ENVIRONMENT

In the first half of 2018, for instance, the German entertainment market again showed a strong trend towards digital offerings. This trend is likely to apply similarly to other European countries. According to the Gesellschaft für Konsumforschung (GfK), consumers in the age groups 10 to 49 spent more on digital than on physical formats for the first time. The strongest providers in the German market are Amazon and Netflix. The German theatrical market, on the other hand, suffered significant declines due to the exceptionally good weather in spring and summer 2018.

The first half of 2018 was characterized by the following major trends:

- the sharp increase in demand for high-quality content,
- the rapid digitisation of the film industry and
- the internationalisation and concentration of business operations

1.2.1.3 THEATRICAL

Overall, audiences in Wild Bunch's core markets fell by 8,59 % in the first half of 2018.

France

According to CNC, French cinema admissions fell by 1.8 % compared to the same period in 2017 (103.8 million visitors compared to 105.2 million visitors).

Germany

In Germany, the Filmförderungsanstalt (FFA) recorded a 9.2 % decline in visitor numbers between the first half of 2017 and the first half of 2018 (50.3 million cinema-goers in the first half of 2018 compared to 55.4 million cinema-goers in the first half of 2017; source: FFA).

Italy

In Italy, ticket sales decreased by 16 % to 40.1 million tickets in the first half of 2018 from 47.8 million tickets in the first half of 2017 (source: Rentrak).

Spain

According to Rentrak, ticket sales in Spain fell 16.15 % to 41.1 million in the first half of 2018 from 49 million in the same period of 2017.

1.2.1.4 ELECTRONIC DIRECT SALES AND HOME ENTERTAINMENT

Traditional television broadcasters see their advertising revenues and thus their classic financing structure challenged by advertising over the internet. In 2017, revenues from internet advertising exceeded revenues from TV advertising worldwide for the first time. This trend was confirmed in the first half of 2018 in France. According to SRI, the French digital advertising market achieved a turnover of 2,264 billion euros, an increase of 15.5 % compared to the first half of 2017. The market share of digital advertising reached 39.2 % of digital investments in media, compared to 34.5 % in the first half of 2017, while television advertising reached 27.4 %.

Meanwhile, according to Ofcom, the number of SVOD subscribers significantly exceeded that of pay-TV households for the first time this year. According to the MediaNations report, for example, there were 15.4 million British SVOD subscribers in the first three months of 2018 compared to 15.1 million British pay-TV households. In France, GFK states that the SVOD market grew by 78 % and the DVD market decreased by 12 % in the first half of 2018. The home entertainment market is thus shifting from a physical video market towards subscription offers.

Wild Bunch was founded from the conviction that the film and entertainment industry is on the brink of far-reaching changes in all its sectors, from producing to commercialization, from manufacturing to consumption. The current market development confirms the vision of the company. Wild Bunch considers itself to be well positioned to profit from these developments, with its renowned high-quality film library, its contact with talent around the world and its international sales and distribution network. Wild Bunch particularly profits from its already established relationships with major streaming players such as Netflix (with more than 100 million subscribers worldwide in 2017) and Amazon (which has now launched its SVOD service across Europe).

1.3 FINANCIAL AND NON-FINANCIAL INDICATORS

There have been no changes compared to the financial and non-financial indicators presented in Wild Bunch's 2017 annual report.

1.4 BUSINESS PERFORMANCE

Wild Bunch's international sales, distribution and film production segment covers the entire distribution chain for films and in particular includes the distribution revenues for films generated from theatrical distribution, international sales, electronic direct sales and home entertainment. Revenue in this segment fell to € 35.1 million in the first half of 2018 (H 1 2017: € 44.3 million). In the "Other" segment, sales revenues in the reporting period amounted to € 3.2 million compared to € 3.4 million in the same period of the H 1 2017, which resulted from the activities of the Group's SVOD platform and the marketing of music rights.

Segment information business areas €k	International sales and distribution and film production		Other		Group	
	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017
Revenue	35.098	44.283	3.245	3.408	38.344	47.690
Other film related income	323	1.643	414	25	737	1.668
Cost of sales	-29.303	-34.961	-3.218	-2.726	-32.521	-37.687
Segment profit/loss	**6.119**	**10.965**	**441**	**707**	**6.560**	**11.671**
Unassigned result elements						
Other operating income					2.475	435
Administrative expenses					-10.959	-9.972
Other operating expenses					-200	587
Operating result					**-2.123**	**2.721**
Financial income					758	3.968
Financial expenses					-3.435	-6.809
Equity-result					-60	0
Earnings before taxes					**-4.861**	**-120**

1.4.1 THEATRICAL DISTRIBUTION

In the first half of 2018, the Group released a total of 19 films in cinemas in France, Germany, Italy and Spain.

Wild Bunch Distribution released five films in French cinemas, including CROC-BLANC, an animated film by Alexandre Espigares with the voice of Virginie Efira, based on the masterpiece novel by Jack London; VERONICA, a Spanish genre film that had a huge success in Spain with 600,000 admissions and was nominated in seven categories for the Spanish film award Goya.

Wild Bunch Germany released six feature films in Germany, including DR KNOCK by Lorraine Lévy, a French comedy with Omar Sy and the German family comedy DIE TEUFELSTOCHTER by Marco Petri.

BIM had four releases in Italy, including IN THE FADE by Fatih Akin, the Golden Globe Winner for Best Foreign Film, starring Diane Kruger, who won the prize for Best Actress at the 2017 Cannes Film Festival.

Vertigo also released four feature films in Spain, including LAST FLYING FLAG by Richard Linklater.

1.4.2 INTERNATIONAL SALES

In international sales, 11 films were delivered in the first half of 2018, including major titles such as the Deniz Gamze Ergüven film KINGS sold by Insiders, the award-winning film SHOPLIFTERS by Hirokazu Kore-Eda and BEFORE WE VANISH by Kiyoshi Kurosawa, which were both internationally sold by Wild Bunch, THE MISEDUCATION OF CAMERON POST by Desiree Akhavan sold by Elle Driver and CHARLESTON by Andrei Cretulescu sold by Versatile.

Wild Bunch TV

In the first half of 2018, Wild Bunch TV delivered one new TV series, TEAM CHOCOLATE by Marc Bryssinck and Filip Lenaerts, a 7 x 52' drama series for which WILD BUNCH TV had already sold remake rights to Canadian producer and distributor Reel One Entertainment.

1.4.3 ELECTRONIC DIRECT SALES, HOME ENTERTAINMENT & TV SALES

Overall, demand for physical videos in the key Wild Bunch markets continued to decline in the first half of 2018, while demand for VOD remained stable and SVOD exploded, increasingly contributing to overall market revenue. Nevertheless, some of Wild Bunch's DVD and Blu-ray releases reached top sales charts and were often combined with successful digital releases in the first half of 2018.

Wild Bunch's main SVOD buyer remains Netflix, but Amazon commenced its SVOD operations in 2018 and signed its first library films' acquisition agreement with Wild Bunch in May 2018.

Wild Bunch also had some ambitious DVD releases, such as VIKING in France, release in DTV with a big marketing campaign or GARDE ALTERNEE, released in May and performed above expectations in VOD. In Italy BIM was successful with BREATHE and AURORE and in Germany Wild Bunch Germany with ROCK MY HEART.

In the first half of 2018, Wild Bunch also achieved significant sales to local television channels, such as 9 MOIS FERME on France2 or LARGO WINCH on TMC in France. The film SNOWDEN was shown successfully in Italy and Spain.

FilmoTV

Filmo TV pursued further development of its innovative interface FilmoGeneric, which is intended to lead to more implementations at its distribution partner sites. FilmoGeneric is considered one of the components of the growth of FilmoTV's SVOD customer base in the first half of 2018.

1.4.4 OTHER INFORMATION

AWARDS AT THE CANNES FILM FESTIVAL

The 2018 Cannes Film Festival was exceptionally successful for Wild Bunch with two Palmes d'Or, The Palme d'Or for SHOPLIFTERS by Kore-eda Hirokazu and a Palme d'Or spéciale for LE LIVRE D'IMAGES by Jean-Luc Godard. Other awards included the jury prize for CAPHARNAUM by Nadine Labaki and the Directors' Fortnight prize (Quinzaine des réalisateurs) for CLIMAX by Gaspard Noe.

1.4.5 OVERALL APPRAISAL OF BUSINESS PERFORMANCE

At a European level, Wild Bunch is one of the leading film distribution companies that has a certain buying and market power due to its strategic size and that is able to react to the rapid changes in the area of film rights distribution. The course of business in the first half of 2018 was characterised by the further restructuring of the Group as well as by certain external events which affected the number and the success of acquired film rights. At the same time, the Group will have to make further efforts and investments in its core businesses in order to grow again in a dynamic market environment. To this end, the Group, together with banks and investors, has agreed on a bundle of restructuring measures that will enable the Group to realign itself financially and set its course for the future in a strategic manner. These measures were proposed for vote at the Annual General Meeting in September 2018 and adopted by an overwhelming majority.

1.5 NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF THE GROUP

EARNINGS POSITION OF THE GROUP

In the first half of 2018, Wild Bunch generated revenues of € 38,344 thousand, a decline of 19.6 % compared to the first half of the H 1 2017 (H 1 2017: € 47,690 thousand). The main reason for this was the lower investment budget. The International Sales and Rental and Production segments accounted for revenues of € 35,098 thousand (H 1 2017: € 44,283 thousand), while the Other segment generated revenues of € 3,245 thousand (H 1 2017: € 3,408 thousand) in the first six months of the financial year.

Cost of sales decreased by around 13.7 % in the first half of 2018 and amounted to € 32,521 thousand (H 1 2017: € 37,687 thousand). This reflects the lower business volume. The gross profit thus amounted to € 6,560 thousand (H 1 2017: € 11,671 thousand). Other operating income recorded a strong increase, rising to € 2,475 thousand (H 1 2017: € 435 thousand), primarily as a result of the derecognition of liabilities and charged-on costs. Administrative expenses rose slightly to € 10,959 thousand (H 1 2017: € 9,972 thousand), in particular due to restructuring costs. This resulted in negative earnings before interest and taxes (EBIT) of € -2,123 thousand (H 1 2017: € +2,721 thousand). At € -2,738 thousand, the financial result remained slightly below the H 1 2017's figure of € -2,841 thousand.

In the first half of 2018, consolidated earnings before taxes fell to € -4,861 thousand (H 1 2017: € -120 thousand). Consolidated earnings amounted to € -4,788 thousand (H 1 2017: € +580 thousand). Earnings per share thus amounted to -0.06 euros (H 1 2017: 0.00 euros).

NET ASSETS OF THE GROUP

The Group's total assets as of 30 June 2018 amounted to € 277,186 thousand and were thus slightly lower than as of 31 December 2017 (H 1 2017: € 282,446 thousand).

Regarding assets, non-current assets amounted to € 207,052 thousand (31 Dec 2017: € 214,352 thousand). This includes goodwill of € 124,454 thousand as the largest item (31 Dec 2017: € 124,454 thousand). Intangible assets amount to € 75,475 thousand (31 Dec 2017: € 81,689 thousand). This mainly includes film exploitation rights from Wild Bunch’s library, which contains around 2,500 films. Deferred taxes amounted to € 2,014 thousand (31 Dec 2017: € 1,736 thousand). Financial assets (€ 2,423 thousand) and tangible assets (€ 1,150 thousand) remained virtually unchanged compared with the reporting date of December 31, 17.

Current assets amounted to € 70,135 thousand as of June 30, 2018 (December 31, 17: € 68,094 thousand). More than half of this amount was accounted for by trade receivables amounting to € 37,460 thousand (31 Dec 2017: € 36,020 thousand). Other receivables, consisting mainly of receivables from public subsidies, third-party funds and tax receivables, amounted to € 21,815 thousand (31 Dec 2017: € 23,832 thousand). Cash and cash equivalents increased significantly to € 9,353 thousand (31 Dec 2017: € 6,593 thousand). This is primarily due to the provision of interim financing by shareholder Sapinda as part of the financial restructuring.

On the liabilities side, the equity ratio fell slightly to 27.1 % as of 30 June 2018. Accordingly, equity amounts to € 76,606 thousand (31 Dec 2017: € 81,151 thousand). Non-current liabilities decreased by almost 3.5 % compared to the previous reporting date to € 51,142 thousand (31 Dec 2017: € 53,019 thousand), mainly due to an increase in non-current financial liabilities. These decreased from € 48,459 thousand as of 31 December 2017 to € 45,372 thousand as of 30 June 2018. By contrast, current liabilities increased by just under 1.0 % year-on-year to € 149,659 thousand (31 Dec 2017: € 148,252 thousand). This was due to an increase in current financial liabilities, which was offset by a reduction in trade payables.

FINANCIAL SITUATION OF THE GROUP

In the first half of 2018, Wild Bunch AG generated a positive operating cash flow of € 5,137 thousand (H 1 2017: € 20,528 thousand). Cash flow from investing activities amounted to € -6,097 thousand in the first half of 2018 (H 1 2017: € -19,973 thousand). The company invested primarily in film exploitation rights, which are expected to be exploited in the coming months and years via the individual value chains. By contrast, cash flow from financing activities was positive with an inflow of € -3720 thousand (H 1 2017: € -571 thousand). In total, the Group's cash and cash equivalents amounted to € 9,353 thousand as of June 30, 2018 (H 1 2017: € 7,152 thousand).

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

The first six months of the 2018 financial year continued to be marked by the planned financial restructuring and the ongoing management of the integration of the business units.

As a pan-European film company with an unrivalled image and a broad portfolio of activities ranging from international sales to direct electronic sales, Wild Bunch sees its basic strategic orientation confirmed, even though business development in the first six months of the 2018 financial year was not satisfactory. Due to its limited investment capacity, the company was unable to conduct its operating activities in the same extent as in the same period of the H 1 2017. In the first six months of the 2018 financial year, consolidated sales fell to € 38,344 thousand (H 1 2017: € 47,690 thousand). With a positive cash flow from operating activities of € 5,137 thousand (H 1 2017: € 20,528 thousand) and cash and cash equivalents of € 9,353 thousand (31 Dec 2017: € 6,593 thousand) with an increased net debt of € 86,769 thousand (31 Dec 2017: € 74,715 thousand), the company continues to have a burdened but controllable liquidity position and shows an equity ratio of 27.1 % (31 Dec 2017: 28.7 %). The overall financial situation meant that the immediate pressure to restructure the Group continued in the first half of 2018.

Following the successful completion of the initiated restructuring measures, Wild Bunch considers itself to be well positioned to generate further synergies and exploit the advantages resulting from the high growth potential in the international film and series market. Business performance in the first six months of the 2018 emphasised the rapid rate of change that the film industry is currently exposed to.

1.7 FORECAST REPORT

1.7.1 DEVELOPMENT OF THE MARKET ENVIRONMENT

Economic research institutes are more sceptical about 2019 and expect a slowdown in growth momentum in Germany and Europe. Britain's withdrawal from the European Union, unresolved trade disputes with the US and continuing uncertainty over US economic policies could weigh on the euro zone's economy.

In Wild Bunch's markets, digitisation will continue to cause major upheavals and fundamentally change business models.

According to PWC's Media Outlook 2015 - 2019, the media industry remains on a growth course. This also applies to the entertainment sector. A worldwide growth of 6% is forecasted for the theatrical market until 2019, despite increasing competition from new media offerings. Both Hollywood and local productions are considered important content supplies. New content is also constantly needed for video-on-demand offerings, which are increasingly gaining acceptance. The trend away from physical sales in the form of Blu-ray or DVD to digital distribution channels will also continue. However, digitisation is also increasingly competing with linear television. The number of SVOD users is growing rapidly, especially within younger target groups. A decisive driver for this development is also the coverage of high-speed internet - especially in rural areas, which in Germany, for instance, remains a challenge. With the foreseeable launch of the 5G mobile communications standard, usage behaviour will once more change significantly.

Wild Bunch sees itself strategically well positioned in all areas as a partner of media players. The core competence, the recognition and exploitation as well as the production of content cannot be seen independently of the radically changing distribution channels. However, it is indispensable in order to be successful in a disruptive market.

1.7.2 GROUP FOCUS FOR THE 2018 FINANCIAL YEAR

Please refer to the notes in the consolidated financial statements as of 31 December 2017 for the Group's orientation in fiscal 2018.

1.7.3 EXPECTED DEVELOPMENT

Planned cinema releases by territory in the second half of 2018

The group plans to release a total of 26 films in France, Germany, Italy and Spain in the second half of 2017:

France

Five films in France, including CLIMAX by Gaspar Noé, HIGH LIFE by Claire Denis and LES FILLES DU SOLEIL by Eva Husson.

Germany

In Germany, five cinema releases are planned, including PETTERSON & FINDUS - FINDUS ZIEHT UM by Ali Samadi Ahadi, MACKIE MESSER - BRECHTS DREIGROSCHENFILM and the winner of the Golden Palm SHOPLIFTERS by Hirokazu Kore-Eda.

Italy

In Italy, BIM will release six films in the second half of 2018, including SHOPLIFTERS by Kore-eda Hirokazu, TROPPA GRACIA by Gianni Zanasi and THE BOOKSHOP by Isabelle Coixet.

Spain

In Spain, Vertigo is planning 10 cinema releases, including GIRL by Lukas Dhont, JOURNAL 64 by Christopher Boe and LAZZARO FELICE by Alice Rohrwacher.

International Sales

As far as international sales are concerned, 20 films are to be released in the second half of 2018, including LES FILLES DU SOLEIL by Eva Husson, sold by Elle Driver; BROTHERS SISTERS by Jacques Audiard, sold by Insider; THE STATE AGAINST MANDELA AND THE OTHERS by Gilles Porte and Nicolas Champeaux, sold by Versatile; CAPHARNAÜM by Nadine Labaki or CLIMAX by Gaspar Noe, sold by Wild Bunch International Sales.

Distribution of TV series

In addition, Wild Bunch TV plans the delivery of 4 TV series in the second half of 2018, including THE OIL FUND by Harald Zwart and DRAGONSLAYER666 by Aleksi Delikouras.

Electronic distribution, home entertainment and TV sales

The extensive DVD/VOD releases in France include STARS 80, LA SUITE with a specific marketing campaign including a very aggressive pricing (€ 10) and an initial delivery in large quantities (40,000 copies). These also include the animated film CROC BLANC, which will be released during the Christmas season, and two TV series, BRITANNIA Season 1 and TIN STAR Season 1, which will be released on October 31.

In the second half of 2018, the company will also release two films in eCinema, including DEPARTMENT Q: JOURNAL 64, the fourth part of the box-office hit saga based on Jussi Adler-Olsen's Department Q novels.

A number of important sales to local television will be broadcasted during the second half of 2018, e.g. in France, THE BOLEYN SISTERS on 6ter, COMME T'Y ES BELLE on TFX or LA GUERRE EST DECLAREE on Arte.

FilmoTV

In addition, Filmo TV's efforts to further develop FilmoGeneric directly at the interfaces of its partners will be continued in the second half of 2018.

1.7.4 OVERALL STATEMENT FROM THE MANAGEMENT ON THE GROUP'S DEVELOPMENT

From today's perspective, the management confirms the financial targets set for 2018 as a whole. For 2018, the company expects a decline in sales compared to 2017 on the basis of the planned results of the theatrical releases in the second half of the year. The management therefore continues to expect EBIT for 2018 to be slightly above the level of the H 1 2017 2017 (€ 0.7 million). This does not include special effects in connection with the planned capital measures (see Notes to this half-year financial report).

1.8 OPPORTUNITY AND RISK REPORT

There have been no material changes compared to the opportunities and risks presented in the Annual Report 2017 of Wild Bunch AG.


05-MAY

HALF-YEAR FINANCIAL REPORT

HALF-YEAR FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT (IFRS)

in €k		1/1/ - 30/06/2018	1/1/ - 30/06/2017
Revenue		38.344	47.690
Other film related income		737	1.668
Total Income		**39.081**	**49.359**
Cost of Sales		-32.521	-37.687
Gross Profit		**6.560**	**11.671**
Other operating income		2.475	435
Administration costs		-10.959	-9.972
Other operating expenses		-200	587
Operating Result		**-2.123**	**2.721**
Finance income		758	3.968
Finance Costs		-3.435	-6.809
Result of an associate or joint venture		-60	0
Finance result		**-2.738**	**-2.841**
Profit/(loss) before tax		**-4.861**	**-120**
Income tax		73	701
Net income		**-4.788**	**580**
Minority interest in profit or loss		-245	284
Profit/(loss) attributable to shareholders		**-4.543**	**297**
Weighted average number of shares (no.)		81.763.015	81.760.600
Potential number of diluted shares (no.)		81.763.015	81.760.600
Total w eighted average number of shares (no.)		81.763.015	81.760.600
Earnings per share			
Basic earnings per share (€ per share)		-0,06	0,00
Diluted earning per share (€ per share)		-0,06	0,00

HALF-YEAR FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

in €k		1/1/ - 30/06/2018	1/1/ - 30/06/2017
Statement of recognized income and expenses			
Consolidated net income		**-4.788**	**580**
Items that will be reclassified in the income statement			
Exchange differences on translating foreign operations		24	1
Ohter income		**24**	**1**
Total consolidated income		**-4.764**	**581**
Minority interests		-221	284
Profit attributable to shareholders		**-4.543**	**298**

HALF-YEAR FINANCIAL REPORT

CONSOLIDATED BALANCE SHEET (IFRS) – ASSETS

in €k		30/06/2018	31/12/2017
Goodwill		124.494	124.454
Intangible assets		75.475	81.689
Tangible assets		1.150	1.156
Other financial assets		2.423	2.511
Investments accounted for using the equity method		1.456	1.516
Deferred tax assets		2.014	1.736
Other non-current accounts		80	1.290
Non current assets		**207.091**	**214.352**
Inventories and work in progress		1.292	1.299
Accounts receivables and related accounts		37.460	36.020
Income tax receivables		174	350
Other current assets		21.854	23.832
Cash an cash equivalent		9.353	6.593
Current assets		**70.135**	**68.094**
Total assets		**277.226**	**282.446**

CONSOLIDATED BALANCE SHEET (IFRS) – EQUITY AND LIABILITIES

in €k		30/06/2018	31/12/2017
Shareholders equity - Group		76.606	81.151
Minority interest		-222	24
Shareholders equity		**76.385**	**81.175**
Retirement and related commitments		645	645
Non-current provision		825	25
Deferred tax liability		3.051	2.881
Non-current debt		45.372	48.459
Other non-current liabilities		1.249	1.009
Non-current liabilities		**51.142**	**53.019**
Current provision		2.090	2.915
Current debt		50.750	44.123
Suppliers - accounts payables		47.452	52.077
Income tax payables		43	57
Other current liabilities		49.324	49.080
Current liabilities		**149.659**	**148.252**
Total equity and liabilities		**277.186**	**282.446**

HALF-YEAR FINANCIAL REPORT

CONDENSED CONSOLIDATED CASH FLOW (IFRS)

in €k		1/1/ - 30/06/2018	1/1/ - 30/06/2017
Consolidated net result		**-4.788**	**580**
Depreciation, amortization, impairments and w rite-ups		10.404	16.927
Result form investments accounted for using the equity method		60	0
Changes in provisions		-24	1.115
Changes in deferred taxes		-109	-2.986
Changes in trade receivables		-1.817	-4.328
Changes in trade payables		-2.879	4.846
Changes in other assets and liabilities		4.290	4.373
Cashflow from operating activities		**5.137**	**20.527**
Prceeds from disposals of intangible assets, property plant, and equipment		7.200	0
Proceeds from disposals of consolidated subsidiaries and business units, less cash and cash equivalents given up		92	0
Proceeds from disposals of non-current financial assets		0	9
Purchases of intangible assets		-13.372	-19.739
Parchases of property, plant and equipment		-13	-24
Purchases of investments in non-current financial assets		-3	-218
Cash flow from investing activities		**-6.097**	**-19.972**
Proceeds from other financial liabilities		5.390	6.021
Repayments of other financial liabilities		-1.670	-6.592
Cash flow from financing activities		**3.720**	**-571**
Cash flow-related changes in cash and cash equivalents		**2.761**	**-16**
Changes in cash and cash equivalents due to exchange rates		0	-2
Cash and cash equivalents at the beginning of period		6.593	7.170
Cash and cash equivalents at end of period		**9.353**	**7.152**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

in T€	Issued capital	Capital reserve	Accumulated result	Accumulated other equity			attributable to owners of Wild Bunch AG	Share of other shareholders	Consolidated equity
				currency translation differences	Other comprehensive income	Other comprehensive income tax			
As of 1 January 2017	**81.761**	**2.709**	**2.941**	**0**	**-208**	**69**	**87.271**	**465**	**87.736**
Change in scope of consolidation	-	-	-	-	-	-	-	-	-
Result of the year	-	-	297	-	-	-	297	284	581
Other comprehensive income	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	1	1
As of 30 June 2017	**81.761**	**2.709**	**3.238**	**0**	**-208**	**69**	**87.568**	**750**	**88.318**
As of 1 January 2018	**81.761**	**2.709**	**-3.296**	**0**	**-41**	**19**	**81.151**	**24**	**81.175**
Change in scope of consolidation	-	-	-	-	-	-	-	-	-
Result of the year	-	-	-4.543	-	-	-	-4.543	-245	-4.788
Other comprehensive income	-	-	-	24	-	-	24	-1	23
Other adjustments	-	-	-	-25	-	-	-25	-	-25
As of 30 June 2018	**81.761**	**2.709**	**-7.839**	**-1**	**-41**	**19**	**76.607**	**-222**	**76.385**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

With established businesses in Berlin and Paris, the group is a leading independent European film distribution and production company active in the field of acquisition, co-production, film distribution as well as international sales of filmed product currently managing among others a film library of more than 2,500 films.

These interim consolidated financial statements for the period from 1 January to 30 June 2018 were approved for issue by the directors on 28 September 2018.

This consolidated half-year financial report as of 30 June 2018 of Wild Bunch satisfies the requirements of the German Securities Trading Act (WpHG). In accordance with the regulations of IAS 34 and in application of Section 315a of the German Commercial Code (HGB), the interim consolidated financial statements were prepared in condensed form on the basis of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as well as the interpretations of the IFRS Interpretations Committee (IFRS IC) as approved by the IASB, as applicable on the balance sheet date, and as approved by the European Union (EU).

The half-year financial statements were neither subjected to an auditor’s review nor audited in accordance with Section 317 of the German Commercial Code (HGB).

The accounting methods applied for the condensed interim financial statements as of 30 June 2018 and the estimation methods applied generally correspond to those of the consolidated financial statements as of 31 December 2017. A detailed description of these methods is published in the notes to Wild Bunch’s consolidated financial statements as of 31 December 2017.

The interim consolidated financial statements are prepared in euros. The income statement was prepared applying the nature of cost-of-sales method.

2. CHANGES IN SIGNIFICANT ACCOUNTIONG POLICIES

In the first half of the 2018 financial year, no significant changes arose from IFRS standards or IFRIC interpretations that require application for the first time.

2.1 REVENUE RECOGNITION

As of 1 January 2018, we applied the new revenue recognition standard, IFRS 15 "Revenue from Contracts with Customers," for the first time.

IFRS 15 contains new accounting rules regarding revenue recognition in connection with revenue from contracts with customers. As part of a contract analysis, the Group's business models in the segments were examined. Film exploitation rights are generally sold individually in contracts with customers. In addition, the Group has come to the conclusion that the services are not provided over a period of time, since the customer is in principle entitled to the full benefits of the contracts as from a certain point in time. The new revenue recognition standard therefore has no significant impact on revenue recognition. The breakdown of revenue in accordance with IFRS 15 was made according to segment-specific categories and is presented in the management report.

2.2 FINANCIAL INSTRUMENTS

As of January 1, 2018, we applied the new standard IFRS 9 "Financial Instruments" for the first time.

IFRS 9 replaces the requirements of IAS 39, which concern the recognition and measurement of financial assets and liabilities. IFRS 9 provides for a uniform approach to the classification and measurement of financial assets and liabilities that is fundamentally geared to the company's business model and the cash flows of the financial instrument. In addition, IFRS 9 includes a new impairment model, which includes not only losses already incurred but also expected losses, and new hedge accounting rules. The first-time application of IFRS 9 from 1 January 2018 resulted in only minor changes in the classification and measurement of financial assets and liabilities. In accordance with the transitional provisions of IFRS 9, the comparative figures are not adjusted retroactively.

2.3 IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE COMPANY

IFRS 16 replaces IAS 17 "Leases" and the associated interpretations. According to the new regulation, lessees must always report all leases in the form of a right of use and a corresponding leasing liability in the statement of financial position.

The Group has until now predominantly concluded operating leases for movable assets (multifunctional printers) and for real estate (office space). Previously, the payment obligations for operating leases only had to be given in the notes. In the future, however, it will be mandatory for the rights and obligations arising from these leases to be reported in the statement of financial position either as an asset (right of use in the leasing object) or a liability (leasing liability). As a result, the Group expects an increase in total assets as of the date of initial application.

In the statement of profit or loss, the expense from operating leases has up until now been reported under the Other operating expenses item. In the future, amortization of the right of use and interest expenses for the leasing liabilities will be reported instead.

In the statement of cash flows, payments for operating leases have previously been reported in cash flow from operating activities. In the future, the payments for operating leases will be split into interest payments and redemption payments. While the interest payments will continue to be reported in cash flow from operating activities, the redemption payments will be allocated to the cash flow from financing activities.

3. SCOPE OF CONSOLIDATION

The composition of the scope of consolidation of the Wild Bunch Group has not been changed in comparison to the financial statements as of 31 December 2017.

	30/06/2018	31/12/2017
Fully consolidated companies		
Domestic	11	11
Foreign	17	17
Shares in joint ventures and associates		
Domestic	1	1
Foreign	2	2
	31	**31**

4. SEGMENT REPORTING

In accordance with IFRS 8, information is published relating to business segments. Pursuant to IFRS 8, segment reporting is undertaken by applying the management approach. In other words, segment reporting is based on the segmentation that is currently used for internal reporting. Intersegment transactions: Segment income, segment expenses and segment results include transactions between business segments. Such transactions are invoiced at market prices for which unrelated parties would be invoiced for similar services. Such transactions are eliminated for the purposes of consolidation.

The management monitors the business units' operating results separately to make decisions concerning the distribution of resources and to determine the units' profitability. Segment profitability is assessed based on operating results.

The operating segment International Sales and Distribution as well as film production includes world sales activities, the exploitation of films in cinemas in France, Italy, Spain, Germany and Austria as well as the distribution of cinema films on TV, video and DVD as well as the production of feature films The Other operating segment aggregates the Groups' music activities as well as the business activities of the VOD platform.

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Related parties within the meaning of IAS 24 are persons or entities that can be influenced by the Wild Bunch Group or that can influence the entity unless they are already included in the consolidated financial statements as consolidated entities.

Members of the management board and the supervisory board members of Wild Bunch AG as well as their close family members are considered related parties.

In the first half of the financial year 2018, in addition to salary payments to members of the Board of Management and the statutory compensation of Supervisory Board members, the following related party transactions took place.

The Company regards Sapinda Asia Ltd., British Virgin Island ("Sapinda Asia") and Sapinda Holding B.V., Amsterdam, the Netherlands ("Sapinda Holding"), as related parties. In the first half of the year, Sapinda Holding granted Wild Bunch AG an interim loan of € 5,000k, which was used in the amount of € 4,255k on 30 June 2018. The loan is an unsecured bridging loan with an interest rate of 8 % and maturing on 23 March 2019.

In 2017, BIM S.R.L, Rome, Italy ("BIM") granted the associate Circuito Cinema S.R.L., Rome, Italy ("Circuito Cinema"), a loan amounting to EUR 213 thousand, the amount is unchanged as of 30 June 2018. In the financial half year, the shareholder and Group company BIM invoiced cinema revenue of € 45k with the associate Circuito Cinema S.r.l., Rome, Italy. In the financial half year, Circuito Cinema rendered services for the marketing of films for the shareholder BIM amounting to € 60k.

During the fical year 2017 and the period under review, there was a financial advisory agreement with the investment bank Lazard Frères ("Lazard"), Paris, France, according to which Lazard provides advisory services relating to strategic investor searches. The supervisory board member Pierre Tattevin is a partner at the Lazard Paris office. Lazard was commissioned at standard market conditions based on purely performance-dependent remuneration. No such remuneration was due in the period under review.

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

6. FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities were measured at amortized cost, which approximately correspond with their fair values.

7. OTHER FINANCIAL COMMITMENTS

The Group the following fixed financial obligations as of 30 June 2017:

obligations and contingent liabilities in €k				30/06/2018				31/12/2017
	Total	Remaining time up to 1 year	Remaining time between 1 to 5 years	Remaining time more than 5 years	Total	Remaining time up to 1 year	Remaining time between 1 to 5 years	Remaining time more than 5 years
Rent and leases	6.545	1.269	3.956	1.320	7.134	1.234	4.068	1.832
Minimum guarantees	22.269	19.246	3.023	0	22.331	17.757	4.574	0
Total	**28.814**	**20.515**	**6.979**	**1.320**	**29.465**	**18.991**	**8.642**	**1.832**

There are contingent liabilities in the Group for funding loans that are to be repaid depending on performance (EUR 12,307 thousand; 31 Dec 2017: EUR 11,303 thousand). However, these funding loans are only to be repaid from pro rata future revenues that exceed costs. At present, the Company does not expect that these loans will have to be repaid.

8. EVENTS AFTER THE BALANCE SHEET DATE

At the Annual General Meeting of Wild Bunch AG on 26 September 2018, the following corporate actions were approved:

- Resolution on a reduction of the capital by way of simplified cancellation of fifteen shares
- Resolution on the Ordinary Capital Reduction of the Company by Merging Shares for the Covering of Losses and otherwise on the Closing of Capital Reserves
- Resolution on raising the share capital against contributions in kind (contribution of EUR 18,000,000 8% bearer bonds issued by Wild Bunch AG - bearer bonds 2016/2019), excluding shareholders' subscription rights
- Resolution on the increase of the share capital against contribution in kind (contribution of claims from French bank loans and investment contracts) excluding the subscription right of the shareholders

Furthermore, the following gentlemen were elected to the Supervisory Board at the Annual General Meeting on 26 September 2018:

- Michael Edelstein, residing in London, England,
- Dr. Georg Kofler, residing in Rottach-Egern
- Kai Diekmann, residing in Potsdam

Further information on the resolutions of the Annual General Meeting of 26 September 2018 can be found on our website http://wildbunch.eu/en/investor-relations/termine/.

In August 2018, the Management Board contracts of Brahim Chioua and Vincent Maraval expired, and since then the business of Wild Bunch AG has been managed by the two remaining Management Board members.

No events that significantly affect the results of operations, net assets and financial position of the Wild Bunch Group have occurred after the balance sheet date 30 June 2018.

Responsibility statement as of 30 June 2018

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

Berlin, 30 September 2018
Wild Bunch AG

Vincent Grimond Vorstandsvorsitzender (CEO)	Max Sturm (CFO)

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