

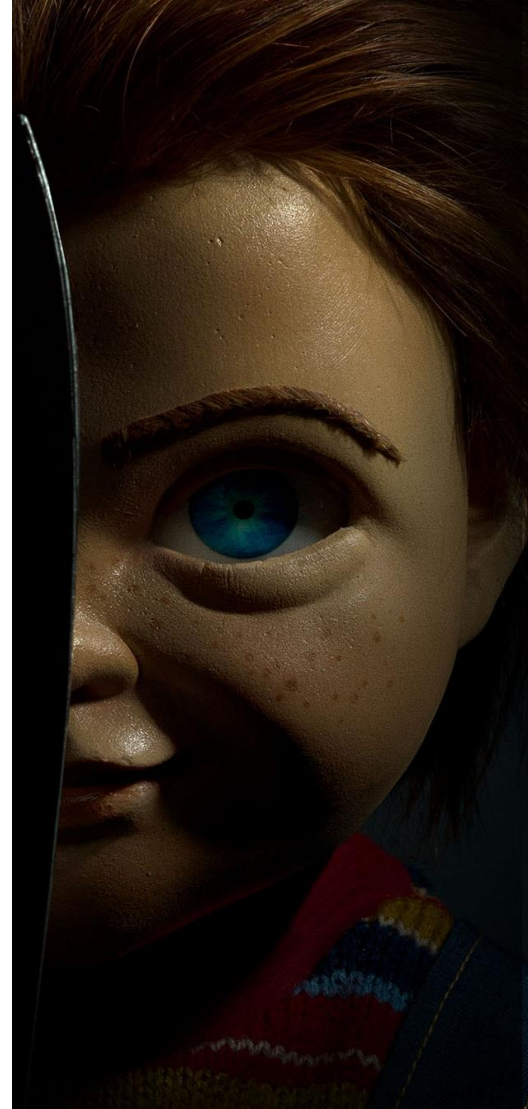


# wild bunch

## HALF-YEAR FINANCIAL REPORT

### 2019

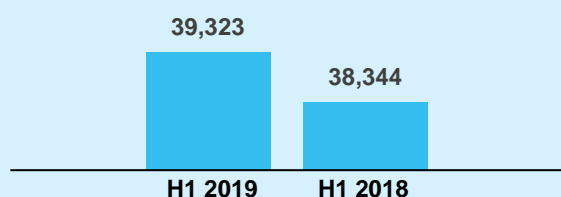




# HIGHLIGHTS

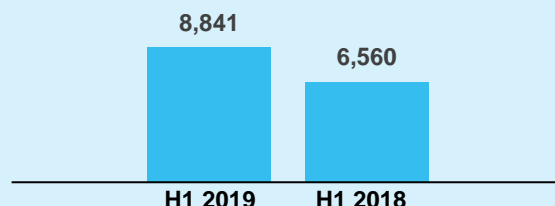
## REVENUE

in € thousand



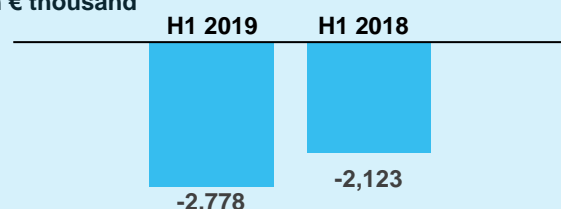
## GROSS PROFIT

in € thousand



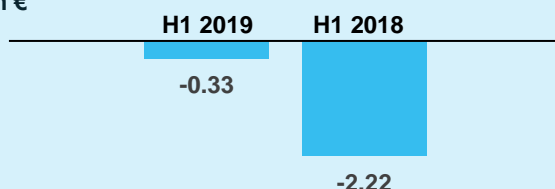
## OPERATING PROFIT (EBIT)

in € thousand



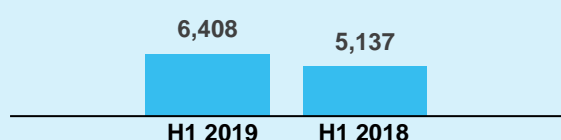
## EARNINGS PER SHARE

in €



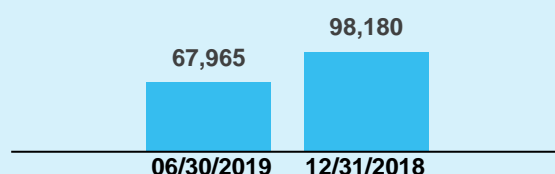
## CASH FLOW FROM OPERATING ACTIVITIES

in € thousand



## NET DEBT

in € thousand



- Sales slightly above previous year's level, overall in line with expectations
- Comprehensive capital measures for refinancing and debt reduction successfully finalized
- Net debt reduced by € 30.2 million compared with 31 December 2018 (Net debt corresponds to financial liabilities less cash and cash equivalents excluding Leasing liabilities from first-time application of IFRS 16)
- Strong improvement in equity ratio to 40.2 %
- LES MISERABLES by Ladj Ly wins the jury prize at the International Festival de Cannes 2019

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## INTRODUCTION

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

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

The half-year financial report should be read in conjunction with our annual report for the 2018 financial year. This includes a comprehensive presentation of our business activities and explanations of the key financial figures used.

## INTERIM GROUP MANAGEMENT REPORT

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

For information on Group structure, management and strategy, please refer to the notes in the combined Group and Management Report 2018 (Annual Report 2018, page 20 ff.). In the first half of 2019 the following changes or additions were made to the Group structure, whereby the strategy of the Wild Bunch Group ("Wild Bunch") remained unchanged: In relation to the optimisation of the group structure, Senator Film München GmbH sold its shares in Bavaria Pictures GmbH to the co-shareholder, Bavaria Film GmbH, in March 2019.

On 10 May 2019 Wild Bunch decided to merge the French companies Wild Bunch Distribution SAS, Wild Side Film SAS and Wild Side Video SAS into Wild Bunch S.A. This serves to simplify the Group structures and optimize administrative processes. The merger took place to 31 July 2019. The merger of the companies into Wild Bunch S.A. has no impact on this half-year financial report.

On 10 May 2019, the Supervisory Board of Wild Bunch AG decided to reorganize its international sales activities by establishing the existing Wild Bunch international sales department as a stand-alone company, Wild Bunch International. The target structure is for Wild Bunch S.A. to hold 20 % of the new company. The aim is to share know-how and fixed costs with new partners and to benefit from their financial strength in the realisation of new projects. This reorganization is to be implemented in the second half of 2019 and has no impact on this half-year financial report.

In the first half year 2019, Wild Bunch successfully completed the financial restructuring initiated in 2018 (see Annual Report 2018, inter alia, Notes to the consolidated financial statements, sections "Going concern assumptions" and "Events after the balance sheet date" as well as section "Risk report" in the Group management report and management report. The key measures comprise:

- Conversion of all bonds relating to the 8 % company bond 2016/2019 with a total nominal value of EUR 18.0 million into 3,600,000 new company no-par-value shares with a pro rata value of EUR 1.00 each
- Conversion of EUR 36,6 million in liabilities of Wild Bunch AG into 18,298,680 new no-par-value shares with a pro rata value of EUR 1.00 each. This non-cash capital increase is part of the agreement on the financial restructuring of the Wild Bunch Group which was signed on 15 June 2018 between the Company, Tennor Holding B.V. (formerly Sapinda Holding B.V.) and Voltaire Finance B.V. ("Voltaire"). In a gradual process, in March 2019 Voltaire initially assumed existing bank liabilities of Wild Bunch S.A. as well as liabilities of Wild Bunch S.A. to other creditors with a total amount of EUR 62.7 million. EUR 26.1 million of this amount remained with Wild Bunch S.A. as a company loan. EUR 36.6 million was assumed by Wild Bunch AG as part of a debt assumption process.



- As a result, financial liabilities of Wild Bunch were reduced by EUR 54.6 million and the share capital of Wild Bunch AG increased from EUR 2,044,075, divided into 2,044,075 no-par-value shares, to EUR 23,942,755, divided into 23,942,755 no-par-value shares.

These measures significantly change the financial position as well as the going concern risk of the Group. See also the Report on opportunities and risks in this report.

## 1.2 MAJOR OPERATING EVENTS IN THE FIRST HALF OF 2019

### 1.2.1 THEATRICAL

The Group released a total of 26 films in theatres in France, Germany, Italy and Spain during first half of 2019.

5 films in French cinemas by Wild Bunch Distribution, including the Japanese animated movie DRAGON BALL directed by Tatsuya Nagamine and adapted from the famous manga, which reached 571,352 admissions; 5 movies released in Germany by Wild Bunch Germany, including the Belgium animated movie by Ben Stassen and Vincent Kesteloot, ROYAL CORGI (327,223 admissions); 9 movies released in Italy by BIM, including 4 movies in collaboration with its booking and billing deal with Movies Inspired, including Bill Holderman's BOOK CLUB an US comedy romance starring Diane Keaton and Jane Fonda and reaching 220,597 admissions; 7 cinema releases in Spain by Vertigo, including THE OLD MAN AND THE GUN reaching 141,669 admissions.

### 1.2.2 INTERNATIONAL SALES

As far as international sales are concerned, 15 movies were delivered during first half of 2019, including major titles such as HIGH LIFE by Claire Denis, with Juliette Binoche and Robert Pattinson, sold by Wild Bunch International Sales team ; LA PARENZA DEI BAMBINI by Claudio Giovannesi, an Italian movie sold by Elle Driver, based on the bestselling novel by Roberto Saviano, won the Silver Bear for Best Screenplay at Berlinale 2019; DUMPLIN' by Anne Fletcher, sold by Insiders; LIL' BUCK RENAISSANCE by Louis Wallecan, sold by Versatile.

During 1st half of 2019, Wild Bunch TV delivered internationally two new TV series, THE NAME OF THE ROSE by Giacomo Battiato, for which Wild Bunch TV has French speaking territories rights only, an adaptation of the famous best seller by Umberto Eco ; IN THE SEARCH OF THE ORIENT EXPRESS by Louis-Pascal Couvelaire, a documentary telling a timeless journey between myth and reality in the most famous train in the world. Wild Bunch TV already sold the documentary in Australia (SBS), Norway (NRK), Sweden (UR), Czech Republic (Česká TV), Spain (TVE) and Portugal (RTP), while a pan-European and African contract was concluded for 90 territories (Viasat World).



### 1.2.3 ELECTRONIC DISTRIBUTION, HOME ENTERTAINMENT AND TV-LICENCES

Globally, in Wild Bunch key markets, the demand for physical videos pursued its decline during H1 2019 while VOD remained stable and SVOD pursued its development, increasingly contributing to total revenues.

During H1 2019, CHILDREN ACT and OLD MAN AND THE GUN performed well in VOD on all platforms in Italy. In France, Wild Bunch released JOURNAL 64 in eCinema, the last movie of Department Q saga.

As far as SVOD is concerned, the group signed Amazon deals in Germany, Spain, France and Italy and pursued its collaboration with Netflix.

During first half of 2019, Wild Bunch also achieved significant sales to local TV channels, such as in Italy to RAI which broadcasted SPOTLIGHT, REMEMBER, BREATHE and HAMPSTED, in Germany with BEFORE I FALL on RTL2, MASTERMINDS on RTL or WIND RIVER on ZDF, in Spain with THE OLD MAN AND THE GUN on MovieStar and KIKI or LA FAMILLE BELIER on Fox, and in France with DE L'AUTRE CÔTE DU LIT on France 2, UPFRONT on C8 or KINGS SPEECH on France 3.

FilmoTV enriched its offer thanks to an agreement signed with Paramount Studios and Warner and could propose, during 1st half of 2019, such movies as TRANSFORMER, REVOLUTIONARY ROAD or MEET THE PARENTS.

### 1.2.4 AWARDS AT FILM FESTIVALS

WILD BUNCH movies once again received numerous award at Festivals during first half of 2019 : The first award was for LA PARENZA DEI BAMBINI by Claudio Giovannesi, an Italian movie sold by Elle Driver and distributed in French theatres by WILD BUNCH, based on the bestselling novel by Roberto Saviano, won the Silver Bear for Best Screenplay at Berlinale 2019. It was followed by numerous awards at the International Festival de Cannes 2019 with LES MISERABLES by Ladj Ly which won the Jury Prize, the movie is sold by Wild Bunch International; YOUNG AHMED by Jean-Luc & Pierre Dardenne who won the Best Director Award, the movie is sold by Wild Bunch International and distributed by BIM in Italy, IT MUST BE HEAVEN by Elia Suleiman won as Special Distinction and the Fipresci Prize, the movie is sold by Wild Bunch International, BEANPOLE by Kantemir Balagov won the Best Director award and the Fipresci Prize at Un Certain Regard, the movie is sold by Wild Bunch International; AN EASY GIRL by Rebecca Zlotowski won the SACD Prize at La Quinzaine des Réalistes, the movie is sold by Wild Bunch International and distributed in Germany by Wild Bunch Germany.

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

### *Overall statement*

The first six months of the 2019 financial year were impacted by financial restructuring and the associated necessary cautiousness to invest, especially in new film titles. Nevertheless, the Group was able to implement key elements of its business plan.

The mandatory first-time application of IFRS 16 Leases as of 1 January 2019 will have an impact on the consolidated financial statements of Wild Bunch AG. In future, payment obligations from previous operating leases will be discounted and recognized as a lease liability; as financial liabilities, they increase the financial liabilities. At the same time, the lessee capitalizes a right of use. Operating expenses previously recognized in connection with operating leases will thus be recognized in the future under amortization of capitalized rights of use or interest expenses for discounted obligations from operating leases. This increases the operating result (EBIT) without any change in economic conditions. In the cash flow statement, the repayment portion of the lease payments from previous operating leases will in future reduce the cash flow from financing activities and no longer the cash flow from operating activities. Only the interest payments will remain in the cash flow from operating activities. The figures published for the previous year were not adjusted retrospectively as part of the first-time application of IFRS 16.

### *THE GROUP'S FINANCIAL PERFORMANCE*

In the first half of 2019, the Wild Bunch Group increased its sales and gross profit year-on-year and was thus within expectations. Due to significantly lower other income, in particular due to lower income from the derecognition of liabilities, the operating result (EBIT) was at € -2,778 thousand and below the figure for the comparable period (6M 2018: € -2,123 thousand). In connection with the two capital increases through contributions in kind (debt-equity swaps) in March and April 2019, a total income of € 1,063 thousand was generated, which is shown in the financial result. This income though results from book gains, as the book value of the contribution in kind exceeded the market value of the new shares on the date of registration of the respective capital increase. The consolidated result for the first six months of 2019 was € -4,609 thousand compared with € -4,788 thousand in the same period of the previous year. This is in line with the expectations of the Management Board.

The following developments should be presented in more detail:

In the first half of 2019, the Wild Bunch Group generated revenues of € 39,323 thousand (6M 2018: € 38,344 thousand) and total income of € 40,507 thousand (6M 2018: € 39,081 thousand). The total income, i.e. sales revenues and other film-related revenues, which has declined over previous periods, rose slightly by € 1,426 thousand or 3.6%, despite a still tight investment budget. The International Sales and Distribution and Film Production segment generated sales of € 32,981 thousand (6M 2018: € 35,098 thousand), while the Other segment generated sales of € 6,342 thousand (previous year: € 3,245



thousand) in the first six months of 2019. Revenues from the exploitation of TV rights and SVOD rights were lower, in particular as a result of changes in the start of licensing periods, while revenues from the Group's VOD platform included in the Other segment increased by € 2,454 thousand. In the first six months of 2019, the Group generated film subsidies of € 1,135 thousand (6M 2018: € 737 thousand), included in other film-related revenues.

In the first half of 2019, the costs of sales were 2.6% or € 855 thousand lower due to exploitation and amounted to € 31,666 thousand (6M 2018: € 32,521 thousand). Administrative expenses rose to € 11,563 thousand (6M 2018: € 10,959 thousand). The administrative costs do not include the costs of the capital increases of € 1,035 thousand incurred in the first half of 2019. These expenses were recognised directly in equity.

At € -2,067 thousand, the financial result was below the previous year's figure of € -2,738 thousand which includes the aforementioned proceeds of € 1,063 thousand in connection with the capital increases. The financial result was contrasted by an increase of € 236 thousand to € 3,144 thousand in interest expenses (6M 2018: € 2,908 thousand).

The consolidated result amounted to € -4,609 thousand (6M 2018: € -4,788 thousand). Shareholders' earnings decreased by € 146 thousand to € -4,689 thousand (6M 2018: € -4,543 thousand) and were thus in line with the expectations of the Management Board. Earnings per share amounted to € -0.33 (6M 2018: € -2.22).

### THE GROUP'S NET ASSETS

The Group's total assets as of 30 June 2019 amounted to € 283,927 thousand and were thus higher than on 31 December 2018 with € 271,677 thousand.

Non-current assets increased by € 7,563 thousand to € 202,271 thousand (previous year: € 194,708 thousand). The increase was mainly attributable to investments in film assets (+ € 2,840 thousand) and as well as the recognition of rights of use (+ € 5,233 thousand).

Current assets increased by € 4,686 thousand to € 81,656 thousand (previous year: € 76,970 thousand). Cash and cash equivalents increased significantly by € 7,786 thousand to € 26,369 thousand (previous year: € 18,583 thousand). This is primarily attributable to the provision of financial resources by Voltaire Finance B.V. for investments in working capital and new films. Other current assets declined, in particular other receivables which decreased by € 2,808 thousand.

The equity ratio as of June 30, 2019 was 40.2 % compared to 24.9 % as of December 31, 2018. The increase in the equity ratio is mainly due to the two debt-equity swaps in March and April 2019. As a result, the subscribed capital increased by € 21,899 thousand to € 23,943 thousand (previous year: € 2,044 thousand) and the capital reserve increased by € 29,070 thousand to € 55,939 thousand (previous year: € 26,869 thousand). At the same time, the capital reserve decreased by € 2,565 thousand, among

other things due to the costs of the capital increases incurred in fiscal years 2018 and 2019, which had to be charged directly to equity after deferred taxes.

As of June 30, 2019, non-current financial liabilities amounted to € 68,905 thousand (prior year: € 24,418 thousand). The increase is mainly due to the fact that the loans of Voltaire Finance B.V. increased by € 18,350 thousand in the first half of 2019 and loans of Voltaire Finance B.V. in the previous year reported under other current liabilities, are now reclassified to non-current financial liabilities because the maturity of the loans was extended until 13 June 2023. In contrast, the loan from Bank Leumi (UK) plc, London, UK is now reported under current financial liabilities.

In total, current liabilities amounted to € 97,436 thousand (previous year: € 175,189 thousand). In addition to the reclassifications described above, the decrease in current liabilities is primarily due to the redemption of liabilities to various French film funding companies in the amount of € 13,594 thousand.

### THE GROUP'S FINANCIAL SITUATION

In the first half of 2019, the Wild Bunch Group generated a positive operating cash flow of € 6,408 thousand (previous year: € 5,137 thousand). Cash flow from investing activities amounted to € -13,637 thousand in the first half of 2019 (previous year: € -6,097 thousand). The company invested primarily in film 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 a cash inflow of € 16,581 thousand (previous year: € 3,720 thousand). The Group's total net debt (financial liabilities less cash and cash equivalents excluding Leasing liabilities from first-time application of IFRS 16) as of June 30, 2019 amounted to € 67,965 thousand (previous year: € 98,180 thousand).

## 1.4 FORECAST REPORT

From today's perspective, the Management Board confirms its financial targets for the full year 2019. For the fiscal year 2019, the Wild Bunch Group therefore expects consolidated sales between € 80.0 million and € 90.0 million and a consolidated EBIT in a range of € -2.0 million to € -4.0 million before special effects in connection with the financial restructuring measures and thus an improvement compared to the fiscal year 2018.

## 1.5 REPORT ON OPPORTUNITIES AND RISKS

The annual report for the 2018 financial year presents certain risks that could have a material adverse effect on the net assets, financial position, results of operations and going concern of the Company. We also described our most significant opportunities and the structure of our risk management system.

The liquidity risk has been reduced compared with 31 December 2018 due to the refinancing measures successfully implemented in the meantime (debt-equity swap I & II), but is still considered by the Management Board of Wild Bunch AG to pose a threat to the continued existence of the company. The



continuation of the company presupposes that the refinancing of the Bank Leumi credit line is successful until the end of the term. The Management Board is about to conclude the talks and negotiations.

In the reporting period, we did not identify any further significant risks and opportunities beyond those described in the annual report for the 2018 financial year and in this half-year financial report. Other risks and opportunities that are not currently known to us or that we currently consider to be immaterial could also affect our business activities and our net assets, financial position and results of operations. At present, no risks have been identified that, either individually or in combination with other risks, could jeopardize the continued existence of Wild Bunch. We also refer to the notes and forward-looking statements at the end of this report.





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# HALF-YEAR FINANCIAL REPORT

## Consolidated Income Statement

in €k	1/1/ - 30/06/2019	1/1/ - 30/06/2018
Revenue	39,323	38,344
Other film related income	1,184	737
<b>Total Income</b>	<b>40,507</b>	<b>39,081</b>
Cost of Sales	-31,666	-32,521
<b>Gross Profit</b>	<b>8,841</b>	<b>6,560</b>
Other operating income	349	2,475
Administration costs	-11,563	-10,959
Other operating expenses	-405	-200
<b>Operating Result</b>	<b>-2,778</b>	<b>-2,123</b>
Finance income	8,888	758
Finance costs	-10,960	-3,435
Result of an associate or joint venture	6	-60
<b>Finance result</b>	<b>-2,067</b>	<b>-2,738</b>
<b>Profit/(loss) before tax</b>	<b>-4,845</b>	<b>-4,861</b>
Income tax	235	73
<b>Net income</b>	<b>-4,609</b>	<b>-4,788</b>
there of Minority interest in profit or loss	80	-245
<b>there of Profit/(loss) attributable to shareholders</b>	<b>-4,689</b>	<b>-4,543</b>
Weighted average number of shares (no,)	14,301,909	2,044,075
Potential number of diluted shares (no,)	14,301,909	2,044,075
Total weighted average number of shares (no,)	14,301,909	2,044,075
<b>Earnings per share</b>		
Basic earnings per share (€ per share)	-0.33	-2.22
Diluted earnings per share (€ per share)	-0.33	-2.22



# HALF-YEAR FINANCIAL REPORT

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## Condensed Consolidated Statement of Comprehensive Income

in €k	1/1/ - 30/06/2019	1/1/ - 30/06/2018
Statement of recognized income and expenses		
<b>Consolidated net income</b>	<b>-4,609</b>	<b>-4,788</b>
Items that will be reclassified in the income statement		
Exchange differences on translating foreign operations	0	62
<b>Other income</b>	<b>0</b>	<b>62</b>
<b>Total consolidated income</b>	<b>-4,609</b>	<b>-4,726</b>
there of Minority interests	80	-211
<b>there of Profit attributable to shareholders</b>	<b>-4,689</b>	<b>-4,515</b>

# HALF-YEAR FINANCIAL REPORT

## Condensed Consolidated Balance Sheet – Assets

in €k	30/06/2019	31/12/2018
Goodwill	124,454	124,454
Intangible assets	66,669	63,829
Rights of use	5,233	-
Tangible assets	1,111	1,143
Other financial assets	1,439	1,403
Investments accounted for using the equity method	1,555	1,550
Deferred tax assets	1,835	1,781
Other non-current accounts	-26	548
<b>Non current assets</b>	<b>202,271</b>	<b>194,708</b>
Inventories and work in progress	1,646	1,710
Accounts receivables and related accounts	34,583	34,764
Income tax receivables	334	382
Other current assets	18,723	21,531
Cash and cash equivalents	26,369	18,583
<b>Current assets</b>	<b>81,656</b>	<b>76,970</b>
<b>Total assets</b>	<b>283,927</b>	<b>271,677</b>

## Condensed Consolidated Balance Sheet – Equity and Liabilities

in €k	30/06/2019	31/12/2018
Shareholders equity - Group	114,225	67,945
Minority interests	-188	-268
<b>Shareholders equity</b>	<b>114,037</b>	<b>67,677</b>
Retirement and related commitments	697	762
Non-current provision	25	25
Deferred tax liabilities	2,167	2,693
Non-current financial debt	68,905	24,418
Other non-current liabilities	659	913
<b>Non-current liabilities</b>	<b>72,454</b>	<b>28,812</b>
Current provision	2,880	2,645
Current financial debt	30,236	92,345
Suppliers - accounts payables	36,445	42,735
Contractual liabilities	9,225	10,418
Income tax payables	695	535
Other current liabilities	17,956	26,511
<b>Current liabilities</b>	<b>97,436</b>	<b>175,189</b>
<b>Total equity and liabilities</b>	<b>283,927</b>	<b>271,677</b>

# HALF-YEAR FINANCIAL REPORT

## Condensed Consolidated Cash-Flow

in €k	1/1/ - 30/06/2019	1/1/ - 30/06/2018
<b>Consolidated net result</b>	<b>-4,609</b>	<b>-4,788</b>
Depreciation, amortization, impairments and write-ups	11,891	10,404
Result from investments accounted for using the equity method	-6	60
Changes in provisions	170	-24
Changes in deferred taxes	-408	-109
Other non-cash income and expenses	44	0
Changes in trade receivables	19	-1,817
Changes in trade payables	4,315	-2,879
Changes in other assets and liabilities	-5,007	4,290
<b>Cashflow from operating activities</b>	<b>6,408</b>	<b>5,137</b>
Proceeds from disposals of intangible assets, property plant, and equipment	744	7,200
Proceeds from disposals of consolidated subsidiaries, investments accounted for using the equity-method and business units, less cash and cash equivalents given up	100	92
Purchases of intangible assets	-14,458	-13,372
Purchases of property, plant and equipment	-23	-13
Purchases of investments in non-current financial assets	-0	-3
<b>Cashflow from investing activities</b>	<b>-13,637</b>	<b>-6,097</b>
Proceeds from other financial liabilities	19,088	5,390
Repayments of other financial liabilities	-2,508	-1,670
<b>Cashflow from financing activities</b>	<b>16,581</b>	<b>3,720</b>
<b>Cashflow-related changes in cash and cash equivalents</b>	<b>9,352</b>	<b>2,761</b>
Cash and cash equivalents at the beginning of period	16,907	6,593
<b>Cash and cash equivalents at the end of period</b>	<b>26,259</b>	<b>9,353</b>



# HALF-YEAR FINANCIAL REPORT

## Consolidated Statement of Changes in Equity

in €k	Issued capital	Capital reserve	Accumulated result
<b>As of 1 January 2018</b>	<b>81,761</b>	<b>2,709</b>	<b>-3,493</b>
Change in scope of consolidation	-	-	-
Reduction of share capital / consolidation of no-par value shares	-79,717	24,160	55,557
Result of the year	-	-	-13,005
Other comprehensive income	-	-	-
Other adjustments	-	-	29
<b>As of 31 December 2018</b>	<b>2,044</b>	<b>26,869</b>	<b>39,088</b>
<b>As of 1 January 2019</b>	<b>2,044</b>	<b>26,869</b>	<b>39,088</b>
Change in scope of consolidation	-	-	-
Conversion of financial liabilities into equity	21,899	29,070	-
Result of the year	-	-	-4,689
Other comprehensive income	-	-	-
Other adjustments	-	-	-
<b>As of 30 June 2019</b>	<b>23,943</b>	<b>55,939</b>	<b>34,399</b>

### Accumulated other equity

Foreign currency translation differences	Other comprehensive income	Other comprehensive income tax	Shareholders' equity	Minority interests	Equity
	<b>-41</b>	<b>19</b>	<b>80,954</b>	<b>23</b>	<b>80,977</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-13,005	-262	-13,267
0	-47	13	-34	-	-34
-	-	-	29	-29	-
<b>0</b>	<b>-88</b>	<b>32</b>	<b>67,945</b>	<b>-268</b>	<b>67,677</b>
<b>0</b>	<b>-88</b>	<b>32</b>	<b>67,945</b>	<b>-268</b>	<b>67,677</b>
-	-	-	-	-	-
-	-	-	50,969	-	50,969
-	-	-	-4,689	80	-4,609
0	-	-	0	-	0
-	-	-	-	-	-
<b>0</b>	<b>-88</b>	<b>32</b>	<b>114,225</b>	<b>-188</b>	<b>114,037</b>

# HALF-YEAR FINANCIAL REPORT

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## Notes

### 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 condensed consolidated interim financial statements as of 30 June 2019 relate to Wild Bunch AG and its subsidiaries (the company, the company or Wild Bunch). These consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as published by the International Accounting Standards Board (IASB) and adopted by the EU. The interim consolidated financial statements should be read in conjunction with the Wild Bunch IFRS consolidated financial statements as of December 31, 2018. The accounting policies applied in the consolidated half-year financial statements correspond to those applied in the consolidated financial statements for the 2018 financial year, with the exception of IFRS 16 Leases (IFRS 16), which has been applicable since 1 January 2019.

The preparation of the condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and other financial commitments and disclosure of contingent liabilities, and the reported amounts of revenues and expenses during the reporting period. See also Annual Report 2018, Notes to the Consolidated Financial Statements, section 1.4 and the additions in section 3 of these Notes.

The results of the interim reporting period do not necessarily allow predictions to be made about the development of the further course of business.

The half-year financial report was neither reviewed by an auditor nor audited in accordance with § 317 HGB. It was released for publication by the Management Board on 27 September 2019.

## 2. Changes in significant accounting policies

IFRS 16 Leases replaces IAS 17 Leases and related interpretations. The distinction made under IAS 17 between capitalized finance leases and unrecognized operating leases is no longer applicable under IFRS 16. According to the new regulation, the lessee is now obliged to show leasing contracts in the form of a right of use as an asset on the assets side of the balance sheet and discounted leasing liabilities on the liabilities side of the balance sheet. The right of use is generally depreciated using the straight-line method and the lease liability is adjusted using the effective interest method. With the first-time application of IFRS 16, Wild Bunch now recognizes rights of use and discounted lease liabilities for leases for office equipment, vehicles and real estate previously classified as operating leases under IAS 17. In the income statement, expenses from operating leases were previously reported as costs under administrative expenses. In future, the amortization of the right of use will instead be recognized in depreciation, which also forms part of administrative expenses. The interest expenses for leasing liabilities are shown in the financial result. In the future, payments under leases will be divided into interest and principal payments in the cash flow statement. While interest payments will continue to be reported in cash flow from operating activities, principal payments will be allocated to cash flow from financing activities. With the entry into force of IFRS 16, additional disclosures in the notes are required. Wild Bunch will present these in full for the first time in the consolidated financial statements as of December 31, 2019.

The first-time application of IFRS 16 was modified retrospectively in accordance with the transitional provisions (IFRS 16.C5b). The comparative figures for the 2018 financial year have not been restated. Wild Bunch applies the option not to account for short-term leases. This relates to contracts that have a term of 12 months from the start of the contract and do not contain a purchase option. In addition, leasing contracts for assets with a value of less than € 5 thousand per asset are not recognized in the balance sheet. Lease payments from short-term and low-value leases continue to be recognized as expenses under administrative expenses. Wild Bunch does not make use of the option under IFRS 16.4 concerning intangible assets and continues to account for them in accordance with IAS 38 Intangible Assets.

Contracts containing non-leasing components as well as leasing components are not separated. The ancillary costs of renting premises are not regarded as a leasing component.

The initial application of all other new or amended standards or interpretations mandatory applicable on January 1, 2019 are of minor significance to the presentation of the Group's net assets, financial position and results of operations.



### 3. Exercise of discretion and estimation uncertainties

Wild Bunch determines the term of a lease as the non-cancellable term of the lease. If an option to extend the lease exists, Wild Bunch assesses at its own discretion whether it is sufficiently certain that the option to extend the lease will be exercised.

### 4. Scope of consolidation

The composition of the scope of consolidation of the Wild Bunch Group has not been changed in comparison to the financial statements as of 31 December 2018 with one exemption.

The investment in Bavaria Pictures GmbH, previously reported under investments in associates, was sold to the co-shareholder, Bavaria Film GmbH, in March 2019 with effect from 1 January 2019.

### 5. Equity

In the reporting period, the subscribed capital increased by € 21,899 thousand to € 23,943 thousand and the capital reserve by € 29,070 thousand to € 55,939 thousand due to the conversion of financial liabilities into equity (debt-equity swaps). As of June 30, 2019, the share capital thus amounted to € 23,942,755 (previous year: € 2,044,075), divided into 23,942,755 no-par value bearer shares (previous year: 2,044,075 no-par value shares), each of which has a notional value of € 1.

On March 14, 2019, the conversion of the liabilities from the 8 % bearer bond 2016/2019 into new shares of the company was entered in the commercial register. A total of € 18,000,000 liabilities were converted into 3,600,000 new bearer shares with a pro rata amount of the share capital of € 1.00 per share. On 12 April 2019, the conversion of a total of € 36,597,360 in liabilities of Wild Bunch AG into 18,298,680 new bearer shares with a proportionate amount of the share capital of € 1.00 each was entered in the Commercial Register of the Berlin-Charlottenburg Local Court. This non-cash capital increase was part of the agreement signed between Wild Bunch AG, Tennor Holding B.V. (formerly Sapinda Holding B.V.) and Voltaire Finance B.V. on 15 June 2018 for the financial restructuring of the Wild Bunch Group. Within the framework of this agreement, existing bank liabilities of Wild Bunch S.A. and liabilities of Wild Bunch S.A. to other creditors totalling € 62.7 million were initially assumed by Voltaire Finance B.V. in several steps in March 2019. Of this amount, € 26.1 million remained with Wild Bunch S.A. as a shareholder loan. € 36.6 million were taken over by Wild Bunch AG as part of a debt assumption and subsequently converted into equity of Wild Bunch AG.

In connection with the two capital increases through contributions in kind, proceeds of € 1,063 thousand were generated, as the book value of the contribution in kind exceeded the market value of the new shares on the date of registration of the respective capital increase. € 2,565 thousand were set off

against the capital reserve without affecting income after deferred taxes for costs incurred in connection with the capital increases in the 2018 and 2019 financial years.

## **6. Financial liabilities**

The financial liabilities as of June 30, 2019, following the completion of the financial restructuring, break down as follows:

## Financiers' overview

in € thousand

Company	Bank	Nominal Credit Facility	Valuta <sup>d)</sup>	Date of valuta	Disposable Facility 06/30/2019	Interest rate	Variable interest component	Interest /Provi sion p.a.	Commitment Fee	Term	Collateral
<b>Overdraft</b>											
1 Several borrower <sup>b)</sup>	Leumi	26,770	24,582	06/30/2019	0	3.50%	EURIBOR	monthly	0.5%-1.0%	04/05/2020	Trade receivables, film right, shares, liquid funds
2 Several borrower	Currant account liabilities with several banks	n.a.	110	06/30/2019	0	3.50%	EURIBOR	monthly	n.a.	04/05/2020	none
<b>Subtotal</b>		<b>26,770</b>	<b>24,692</b>		<b>0</b>						
<b>Loans</b>											
3 Senator Film Produktion GmbH	CoBa	90	0	06/30/2019	90	4.00%	fix	monthly	n.a.	10/31/2019	Right and revenues from certain/financed movies
4 Senator Film Produktion GmbH	UniCredit	738	738	06/30/2019	0	variable	EURIBOR	per draw down	n.a.	01/06/2020	Trade receivables
<b>Subtotal</b>		<b>828</b>	<b>738</b>		<b>90</b>						
<b>Other loans</b>											
5 Vértigo Films S.L.	Ibercaja	0	0	06/30/2019	0	1.90%	EURIBOR (12M)	monthly	n.a.	06/30/2019	Film rights
6 Vértigo Films S.L.	Ibercaja	0	0	06/30/2019	0	1.50%	fix	monthly	n.a.	05/05/2019	TV receivables
7 Vértigo Films S.L.	Bank BBVA	365	113	06/30/2019	0	5.39%	fix	monthly	n.a.	07/09/2021	none
<b>Subtotal</b>		<b>365</b>	<b>113</b>		<b>0</b>						



in € thousand

Company	Bank	Nominal Credit Facility	Valuta <sup>d)</sup>	Date of valuta	Disposable Facility 06/30/2019	Interest rate	Variable interest component	Interest /Provi sion p.a.	Commit- ment Fee	Term	Collateral
<b>Loan from Investor</b>											
8 Wild Bunch AG		5,000	5,493	06/30/2019	0	9.50%	fix	at term	0.50%	06/13/2023	a) none
9 Wild Bunch S.A.		35,000	36,511	06/30/2019	0	9.50%	fix	at term	0.50%	06/13/2023	a) none
10 Wild Bunch S.A. / Remainder Loan (DE Swap II)		26,456	26,787	06/30/2019	0	9.50%	fix	at term	n.a.	06/13/2023	none
<b>Subtotal</b>		<b>66,456</b>	<b>68,791</b>		<b>0</b>						
<b>Leasing Obligations</b>											
11 Wild Bunch Group <sup>e)</sup>		4,847	4,807	06/30/2019	n.a.	1.6% - 2.7%	n.a.	n.a.	n.a.	n.a.	none
<b>Subtotal</b>		<b>4,847</b>	<b>4,807</b>								
<b>Total</b>		<b>99,266</b>	<b>99,141</b>		<b>90</b>						

a) Working Capital & Acquisition Capital Facility

b) Wild Bunch AG/Wild Bunch Germany GmbH/ Senator Film Verleih GmbH/Senator Home Entertainment GmbH/BIM Distribuzione s.r.l./ Vértigo Films S.L.

c) The borrowers have entered into corresponding agreements with the Bank to defer the maturity of this loan until further notice.

d) Book values incl. accrued interests

e) First-time adoption of IFRS 16

## 7. Financial result

The financial result breaks down as follows:

Financial result in €k	1/1/ - 30/06/2019	1/1/ - 30/06/2018
Income from the repayment of financial liabilities through equity instruments	8,849	-
Interest income	24	31
Foreign currency gains from non-operating activities	3	727
Other interest income	12	0
<b>Financial income</b>	<b>8,888</b>	<b>758</b>
Expenses from the repayment of financial liabilities through equity instruments	7,685	-
Interest expense from financial liabilities	3,144	2,908
Foreign currency losses from non-operating activities	130	523
Other interest expense	0	4
<b>Financial expenses</b>	<b>10,960</b>	<b>3,435</b>
Share in the result of associates	6	-60
<b>Result of associates</b>	<b>6</b>	<b>-60</b>
<b>Financial result</b>	<b>-2,067</b>	<b>-2,738</b>

## 8. Segment reporting

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

- (a) The “International sales and distribution; film production” operating segment includes the production and distribution of films.
- (b) The “Miscellaneous” operating segment encompasses the operation of a VOD platform and other activities.

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

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

The activities of the Wild Bunch Group mainly cover France, Italy, Spain, Germany and Austria.

Segment information business areas €k	International sales and distribution and film production		Other		Group	
	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018
Revenue	32,981	35,098	6,342	3,245	39,323	38,344
Other film related income	658	323	526	414	1,183	737
Cost of sales	-25,942	-29,303	-5,724	-3,218	-31,666	-32,521
<b>Segment profit/loss</b>	<b>7,697</b>	<b>6,119</b>	<b>1,144</b>	<b>441</b>	<b>8,841</b>	<b>6,560</b>
<b>Unassigned result elements</b>						
Other operating income					349	2,475
Administrative expenses					-11,563	-10,959
Other operating expenses					-405	-200
<b>Operating result</b>					<b>-2,778</b>	<b>-2,123</b>
Financial income					8,888	758
Financial expenses					-10,960	-3,435
Result of an associate or joint venture					6	-60
<b>Earnings before taxes</b>					<b>-4,845</b>	<b>-4,861</b>

The impairment losses of € 1,962 thousand (previous year: € 1,996 thousand) recognized in the reporting period and the income from write-ups of fixed assets of € 982 thousand (previous year: € 0) relate exclusively to the International sales and distribution; film production segment.

## 9. Significant transactions with related parties

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

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

In the first half of the 2019 financial year, in addition to salary payments to members of the Management Board and statutory remuneration to members of the Supervisory Board, the following transactions and business relationships with the following related parties took place:

The Company considers Voltaire Finance B.V. ("Voltaire") to be a related party. As of June 30, 2019, Voltaire holds approximately 96.20 % of the voting rights of the Company. As part of the financial restructuring, Voltaire has granted loans to the Wild Bunch Group. For the scope and conditions of these loans, see also the information under section 6. Financial liabilities.

With the associated company Circuito Cinema s.r.l., Rome, Italy, the Group company BIM s.r.l., Rome, Italy, had loans and receivables of € 286 thousand as of June 30, 2019 (December 31, 2018: € 284 thousand). In fiscal year 2017, BIM s.r.l. granted a loan of € 213 thousand to Circuito Cinema. In addition, trade payables to Circuito Cinema amounted to € 76 thousand (December 31, 2018: € 39 thousand).



In the first half of 2019, Circuito Cinema invoiced cinema revenues of € 104 thousand (H1/2018: € 45 thousand) with shareholder BIM s.r.l. Circuito Cinema provided services for the marketing of films to the shareholder BIM s.r.l. amounting to € 97 thousand (H1/2018: € 60 thousand) in the first half of 2019.

In the 2017 financial year, BIM Distribuzione s.r.l. issued a guarantee in the amount of € 600 thousand for a bank loan which Circuito Cinema s.r.l. received from Banca Nazionale del Lavoro and which continues to exist.

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

All transactions with related parties were based on standard market conditions.

## 10. Other financial commitments

Other financial obligations and contingent liabilities as of 30 June 2019 were as follows:

Other financial obligations and contingent liabilities in €k	30/06/2019				31/12/2018			
	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	119	106	13		5,920	1,259	3,781	880
Minimum guarantees	9,788	6,750	3,038		17,857	16,343	1,514	
<b>Total</b>	<b>9,907</b>	<b>6,856</b>	<b>3,051</b>		<b>23,777</b>	<b>17,602</b>	<b>5,295</b>	<b>880</b>

Further, there are contingent liabilities in the Group for funding loans that are to be repaid depending on performance of € 12,407 thousand (31 December 2018: € 11,951 thousand).

## 11. Events after the balance sheet date

No events of particular significance with significant effects on the results of operations, financial position or net assets of Wild Bunch occurred after the balance sheet date of June 30, 2019.

Berlin, as of 27 September 2019

Wild Bunch AG



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Vincent Grimond  
Chairman of the Management Board (CEO)



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Max Sturm  
(CFO)

## Responsibility statement

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

Berlin, as of 27 September 2019

Wild Bunch AG



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Vincent Grimond  
Chairman of the Management Board (CEO)



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Max Sturm  
(CFO)

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

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

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

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

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



# IMPRINT

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**Board of Management**

Vincent Grimond (CEO), Chairman of the Management Board  
Max Sturm (CFO)

**Court of Registry**

Amtsgericht Berlin Charlottenburg

**Registered number**

HRB 68059

2019

## **Credit of Photography**

### **Film original title**

BOOK CLUB	© Paramount Pictures France
CAPHARNAÛM	© Mooz Films
CASANOVA LAST LOVE	© Carole Bethuel-Les Films du Lendemain – JPG Films
DILILI IN PARIS	© Nord-Ouest Films
DOSSIER 64	© Zentropa-Henrik-Ohsten
DRAGON BALL SUPER – BROLY	© Jami Nurminen
FAHIM	© 2019 Wild Bunch
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IN SEARCH OF	
THE ORIENT EXPRESS	© 2019 Wild Bunch
IT MUST BE HEAVEN	© RECTANGLE PRODUCTIONS
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UN HOMME PRESSÉ	© BIM Distribuzione 2019
YOUNG AHMED	© CHRISTINE PLENUS

