



wild bunch

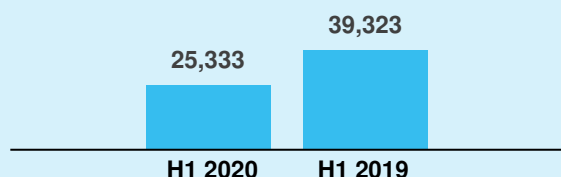
HALF-YEAR FINANCIAL REPORT

2020

HIGHLIGHTS

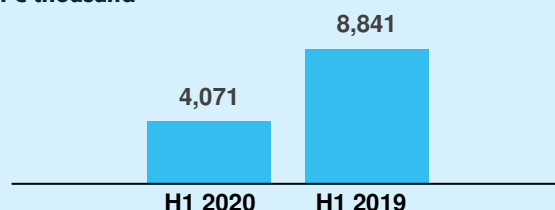
REVENUE

in € thousand



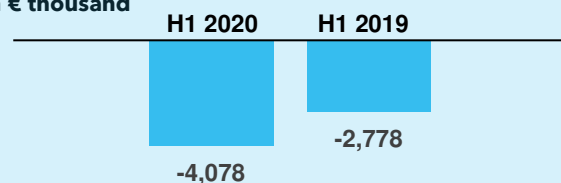
GROSS PROFIT

in € thousand



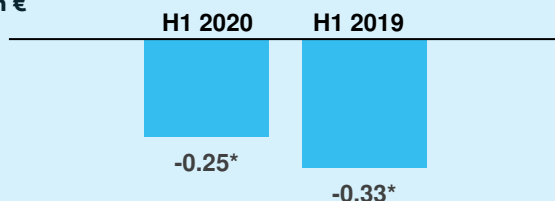
OPERATING PROFIT (EBIT)

in € thousand



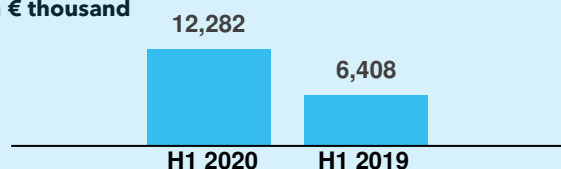
EARNINGS PER SHARE

in €



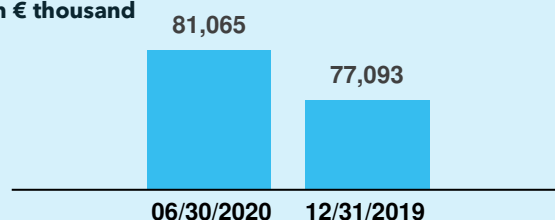
CASH FLOW FROM OPERATING ACTIVITIES

in € thousand



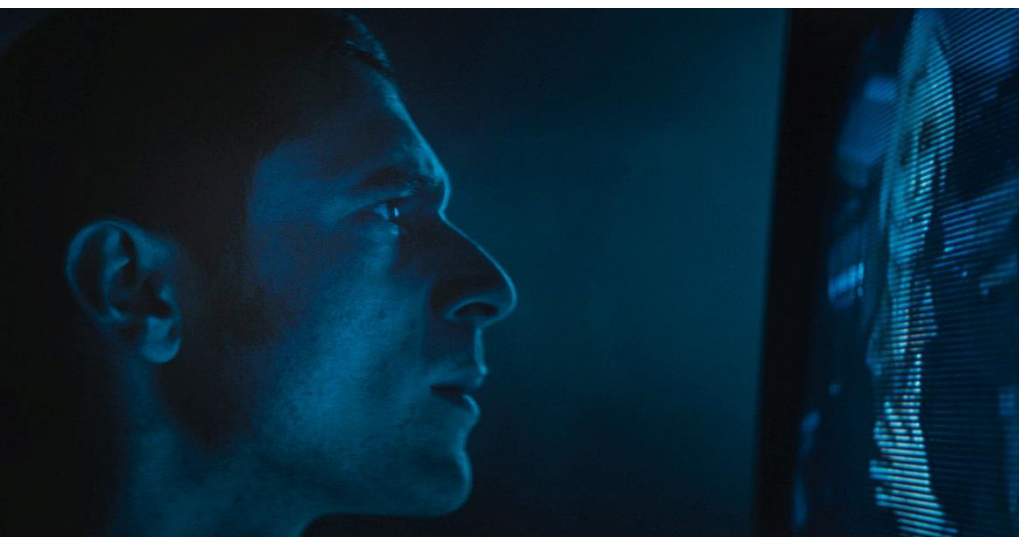
NET DEBT

in € thousand



*based on average shares outstanding of 23,942,695 in H1 2020 and 14,301,909 in H1 2019

- 2020 H1 figures significantly impacted by Covid 19 pandemic
- Group sales decrease by 35.6 % to € 25.3 million
- Group EBIT reaches € -4.1 million
- Loan from Bank Leumi (UK) plc repaid under a loan agreement with Commerzbank AG
- Net debt increased to € 81,1 million compared with 31 December 2019 (Net debt corresponds to financial liabilities less cash and cash equivalents excluding leasing liabilities from first-time application of IFRS 16)



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INTRODUCTION

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

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

The half-year financial report 2020 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 2020 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 2019 financial year. This includes a comprehensive presentation of our business activities and explanations of the key financial figures used and is published on www.wildbunch.eu/investors/publications/ in the section Financial reports.

INTERIM GROUP MANAGEMENT REPORT

1.1 PRINCIPLES OF THE GROUP, GROUP STRATEGY AND MANAGEMENT

There were no changes in the Group structure in the first half of 2020. For information on Group strategy and management, we refer to the explanations in the combined Group and Management report 2019 in the version published on 30 June 2020 (Annual Report 2019).

1.2 MAJOR OPERATING EVENTS IN THE FIRST HALF OF 2020

In March 2020 Wild Bunch was brutally hit by the worldwide Corona Pandemic.

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

This includes trying to benefit from the supporting measures taken by the governments in several of our operating countries. But it also encompasses a strong and intense effort to sell the existing inventory to those customers who are least suffering of the situation. Furthermore, the Wild Bunch Group continued its rationalisation efforts in 2020, simplifying structures, harmonising its IT, reviewing its organisational structure, and further decreasing its overhead.

Theatrical Distribution

The Corona Pandemic entailed the closing of all cinemas in France, Italy, Germany, and Spain in mid-March 2020. Individual countries since reopened cinemas under strict conditions such as compulsory masks, minimum distance, and hygiene regulations.

It appeared that, after such reopenings, audiences were still reluctant to attend and therefore the box office results are disappointing. Wild Bunch worked and is still working at refining its theatrical release strategy respectively at finding alternatives, like direct sales to electronic platforms.

International sales

The Corona Pandemic induced the cancellation of all markets and festivals since mid-March 2020, such as Festival and Marché du Film de Cannes. These markets are key events for selling and acquiring movies. Even if the operators organized digital markets, these remained less efficient than live events.

On top of that, local distributors who acquired movies to be released in 2020 also faced the closing of the theatres and tended to postpone or cancel the delivery of some movies.

Wild Bunch TV

Wild Bunch TV activities were also impacted by the Corona Pandemic. As a TV distributor, selling internationally TV series, Wild Bunch TV was affected by the cancellation of all international markets (e.g. MIP, Séries Mania, Series Series, NATPE). And, as worldwide TV broadcasters add revenues decreased, they reduced or suspended their acquisitions, being for coproduction or for broadcasting.

Electronic Distribution, Home Entertainment and TV Sales

Globally, during the first half of 2020, electronic distribution and, in a lesser proportion, TV sales remained two strong segments of our operational activities.

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

Globally, in Wild Bunch key markets, during the first half of 2020, VOD and SVOD were the strongest segments in our business. In the short term during the Corona Pandemic, but also in the long term, the industry is experiencing a significant shift in content consumption, with high demand for streaming services. During the first six months in 2020, the Wild Bunch Group has been active in this sector: some movies, initially dedicated to theatrical releases, were finally sold to digital platforms, the Group signed Amazon deals in Germany, Spain and Italy and pursued its collaboration with Netflix, and new deals were signed with local platforms.

FilmoTV

FilmoTV has enjoyed a significant increase in its number of subscribers since the Corona Pandemic and the lockdown in France. Furthermore, during the first half of 2020 FilmoTV signed a deal with Amazon for SVOD services and worked to reinforce its existing EST/TVOD/SVOD offers.

Production and coproduction activities

During the first half of 2020, the Wild Bunch Group production and coproduction activities were also significantly impacted by the pandemic crisis. All movies and TV series shooting were stopped during the lockdown period in all Wild Bunch territories and projects in process were postponed. Furthermore, as described above, TV broadcasters saw their revenue decrease and reduced or stopped their investment in production/coproduction of content, making it very difficult for Wild Bunch to find financing partners for its projects. Nonetheless, Wild Bunch has continued developing its portfolio which includes extremely attractive projects, preparing for a return to a more normal situation.

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

Overall statement

The business performance in the first half of 2020 was affected by the impact of the Corona pandemic. Sales decreased significantly in the first half of 2020 compared to the first half of 2019, inducing a decrease in gross profit and, despite reduced overhead, also on EBIT-level.

In April 2020, the loan from Bank Leumi (UK) plc ("Bank Leumi") was repaid with the help of a credit line from Commerzbank AG. The first drawdown of the credit facility from Commerzbank AG amounted to € 16.3 million. The credit facility of Commerzbank AG amounts to up to € 35.0 million and runs until October 2022. The agreement with Commerzbank provides for the bank to provide funds against assignment of claims of Wild Bunch AG. Qualifying receivables include receivables of the subsidiaries Wild Bunch S.A., Paris, Wild Bunch Germany GmbH, Munich, BIM Distribuzione s.r.l., Rome and Vértigo Films S.L., Madrid.

THE GROUP'S FINANCIAL PERFORMANCE

Revenues of the Wild Bunch Group decreased by 35.6 % to € 25,333 thousand in the first half of 2020 (6M 2019: € 39,323 thousand). The closure of cinemas leads to a slump in cinema revenues. Revenues in international distribution suffered from the cancellation of numerous film markets and TV distribution suffered from the reluctance of many broadcasters to purchase films and productions. The gross profit reached € 4,071 thousand (6M: € 8,841 thousand) and the operating result (EBIT) of € -4,078 thousand was also below the value of the comparative period (6M 2019: € -2,778 thousand). The consolidated result for the first six months of 2020 was € -5,948 thousand compared with € -4,609 thousand in the same period of the previous year. This is just about in line with the expectations of the Management Board.

The following developments should be presented in more detail:

In the first half of 2020, the Wild Bunch Group generated total income of € 26,045 thousand (6M 2019: € 40,507 thousand). The total income, i.e. sales revenues and other film-related revenues declined by 35.7 %. The International Sales and Distribution and Film Production segment generated revenues of € 22,534 thousand (6M 2019: € 34,964 thousand), while the Miscellaneous segment generated revenues of € 2,799 thousand (6M 2019: € 4,359 thousand). in the first six months of 2020. The increased number of subscribers added to FilmoTV as a result of the Corona pandemic has not yet had a noticeable impact on revenues in the first half of the year.

In the first six months of 2020, the Group generated other film-related revenues of € 712 thousand (6M 2019: € 1,184 thousand) mainly from film subsidies. The cinema closures and production stops also led to a decline in film subsidies.

In the first half of 2020, the costs of sales were 30.6 % lower due to exploitation and amounted to € 21,974 thousand (6M 2019: € 31,666 thousand). Administrative expenses declined significantly to € 8,930 thousand (6M 2019: € 11,563 thousand) mainly due to a decline in personnel expenses as a result of staff reductions, particularly in the fourth quarter of 2019, and lower legal and consulting costs.

At € -1,795 thousand, the financial result was higher than the previous year's figure of € -2,067 thousand. The financial result for the first half of 2020 includes a one-off gain of €1,300 thousand due to the reduced repayment of the loan from Bank Leumi. The financial result for the previous year includes one-off income of € 1,063 thousand in connection with the two capital increases through contributions in kind (debt-equity swaps) in March and April 2019 respectively, 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. Adjusted for these one-off effects, the financial result was almost unchanged.

Shareholders' earnings decreased by € 1,357 thousand to € -6,046 thousand (6M 2019: € -4,689 thousand) and were thus in line with the expectations of the Management Board. Earnings per share amounted to € -0,25 (6M 2019: € -0.33).

THE GROUP'S NET ASSETS

The total assets as of 30 June 2020 amounted to € 275,102 thousand and were thus 2.8 % lower than on 31 December 2019 with € 283,059 thousand.

Non-current assets decreased slightly by € 2,162 thousand to € 196,287 thousand (31.12.2019: € 198,449 thousand) of which € 966 thousand were intangible assets. Intangible assets mainly include film assets.

Current assets decreased by € 5,795 thousand to € 78,815 thousand (31.12.2019: € 84,610 thousand) mainly due to the decrease in trade receivables and other current assets. Cash and cash equivalents were almost unchanged at € 21,383 thousand (31.12.2019: € 21,362 thousand). Cash and cash equivalents include € 8.8 million pledged as collateral for the loan from Commerzbank AG. The company cannot freely dispose of this amount. This amount was made available to the Company by Voltaire Finance B.V. as a short-term loan in the reporting period. As of 31 December 2019, cash and cash equivalents of €14.1 million served as collateral for the loan from Bank Leumi, which was repaid in April 2020.

The equity ratio as of June 30, 2020 was 36.2 % compared to 37.4 % as of December 31, 2019. The decrease in the equity ratio is mainly due to loss in the first half of the year 2020.

As of June 30, 2020, non-current liabilities amounted to € 81,244 thousand (31.12.2019: € 74,170 thousand) and essentially include the non-current financial liabilities from loans of Voltaire Finance B.V. in the nominal amount of € 66.5 million (31.12.2019: € 66.5 million). By agreement between the Company and Voltaire Finance B.V., the obligation to pay all interest accrued to date has been deferred until 31 December 2021. As a result, the interest obligations to Voltaire Finance B.V. of € 7,853 thousand as of 30 June 2020 are now reported under non-current liabilities (31.12.2019: € 5,135 thousand, reported under current liabilities).

In total, current liabilities amounted to € 94,161 thousand (31.12.2019: € 103,108 thousand). Thereby, liabilities to banks decreased by a total of € 12,469 thousand. The new loan from Voltaire Finance B.V. amounting to € 8,800 thousand is also disclosed under current liabilities (see also section 8 in the Notes). Interest liabilities due to Voltaire Finance B.V. were reclassified as non-current financial liabilities.

THE GROUP'S FINANCIAL SITUATION

In the first half of 2020, the Wild Bunch Group generated a positive operating cash flow of € 12,282 thousand (6M 2019: € 6,408 thousand). The increase is mainly the result of strict working capital management. Cash flow from investing activities in the first half of 2020 amounted to € -9,497 thousand (6M 2019: € -13,637 thousand). The company invested primarily in film exploitation rights, which will be exploited along the individual value chains, particularly in the coming years. The cash flow from financing activities shows a cash outflow of T€ 2,790 (6M 2019: cash inflow of T€ 16,581).

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, 2020 amounted to € 81,065 thousand (31.12.2019: € 77,093 thousand).

1.4 FORECAST REPORT

The situation derived from the virus crisis entails that Wild Bunch will not be in a position to increase its investments, releases and sales of films and TV series as planned.

It is very uncertain to make a forecast at this time. The Management Board continues to assume that the situation of the theatres and the international sales markets will not have improved significantly by the end of the 2020 financial year, and that the management of the Wild Bunch Group must therefore expect a clear decline in revenues for 2020 compared to 2019. Even taking into consideration the opportunities of subsequent sale and the increased distribution of content to electronic distribution platforms, the management expects a noticeable decline in Group EBIT compared to 2019.

1.5 REPORT ON OPPORTUNITIES AND RISKS

The annual report for the 2019 financial year outlines certain risks that could have a material adverse effect on the net assets, financial position and results of operations and the going concern status of the company. In addition, we have described our most significant opportunities and the structure of our risk management system.

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

However, Wild Bunch assumes that the following categories of risks in particular, as reported in the 2019 Annual Report, have increased as a result of the Corona pandemic: distribution risks, the risk of access to new film rights, the risk of reduced consumer spending due to economic uncertainty, higher regulatory requirements due to national pandemic legislation, default risks among customers and business partners, liquidity risks, the risk of additional financing requirements, and higher impairment risks for assets compared to the end of 2019. The impact of these risks and the probability of their occurrence cannot be accurately assessed. However, the Wild Bunch Group cannot rule out the possibility that one or more risks may have a very high impact. The background to this uncertainty is that the duration and extent of the Corona pandemic and the start and strength of a subsequent recovery phase cannot be estimated at present.

The assessment of the potential opportunities mentioned in the Opportunities Report 2019 has not changed fundamentally.

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

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

In the reporting period, no further significant risks and opportunities were identified that go beyond the risks and opportunities presented in the Annual Report for the 2019 financial year and in this half-yearly financial report. Other risks and opportunities, of which we are currently unaware or which we consider insignificant at present, could also affect our business activities and the net assets, financial

position and results of operations. We also refer to the notes and forward-looking statements at the end of this report.



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HALF-YEAR FINANCIAL REPORT

Consolidated Income Statement

in €k	1/1/ - 30/06/2020	1/1/ - 30/06/2019
Revenue	25,333	39,323
Other film related income	712	1,184
Total Income	26,045	40,507
Cost of Sales	-21,974	-31,666
Gross Profit	4,071	8,841
Other operating income	818	349
Administration costs	-8,930	-11,563
Other operating expenses	-38	-405
Operating Result	-4,078	-2,778
Finance income	1,313	8,888
Finance costs	-3,302	-10,960
Result of an associate or joint venture	194	6
Finance result	-1,795	-2,067
Profit/(loss) before income taxes	-5,873	-4,845
Income taxes	-74	235
Net result	-5,948	-4,609
Non-controlling interest in profit or loss	99	80
Profit/(loss) attributable to shareholders	-6,046	-4,689
Weighted average number of shares (no.)	23,942,695	14,301,909
Potential number of diluted shares (no.)	23,942,695	14,301,909
Total weighted average number of shares (no.)	23,942,695	14,301,909
Earnings per share		
Basic earnings per share (€ per share)	-0.25	-0.33
Diluted earnings per share (€ per share)	-0.25	-0.33

HALF-YEAR FINANCIAL REPORT

Condensed Consolidated Statement of Comprehensive Income

in €k		1/1/ - 30/06/2020	1/1/ - 30/06/2019
Statement of recognized income and expenses			
Consolidated net income		-5,948	-4,609
Items that will be reclassified in the income statement			
Exchange differences on translating foreign operations		0	0
Items that will not be reclassified in the income statement			
Actuarial gains/loss from defined benefit plans		0	0
Deferred taxes		0	0
Other income		0	0
Total consolidated income		-5,948	-4,609
Non-controlling interests		99	80
Profit attributable to shareholders		-6,046	-4,689

HALF-YEAR FINANCIAL REPORT

Condensed Consolidated Balance Sheet - Assets

in €k	30/06/2020	31/12/2019
Goodwill	124,454	124,454
Intangible assets	61,761	62,727
Rights of use	4,137	4,826
Tangible assets	1,021	1,037
Financial assets	1,657	1,504
Investments accounted for using the equity method	1,801	1,603
Deferred tax assets	983	1,470
Other non-current accounts	473	828
Non current assets	196,287	198,449
Inventories and work in progress	1,225	1,105
Contract assets	4	238
Trade receivables and related accounts	33,207	36,932
Income tax receivables	383	269
Other current assets	22,613	24,705
Cash and cash equivalents	21,383	21,362
Current assets	78,815	84,610
Assets	275,102	283,059

Condensed Consolidated Balance Sheet - Equity and Liabilities

in €k	30/06/2020	31/12/2019
Equity attributable to shareholders	99,973	106,098
Non-controlling interests	-276	-317
Equity	99,696	105,781
Pension liabilities	634	634
Non-current provisions	39	364
Deferred tax liabilities	1,849	2,359
Non-current financial debt	78,040	70,255
Other non-current liabilities	682	558
Non-current liabilities	81,244	74,170
Current provisions	924	1,224
Current financial debt	24,408	33,213
Trade payables	27,965	30,085
Contract liabilities	11,671	11,302
Income tax payables	577	1,038
Other current liabilities	28,616	26,247
Current liabilities	94,161	103,108
Equity and liabilities	275,102	283,059

HALF-YEAR FINANCIAL REPORT

Condensed Consolidated Statement of Cash-Flows

in €k	1/1/ - 30/06/2020	1/1/ - 30/06/2019
Net result	-5,948	-4,609
Depreciation, amortization, impairment and write-ups	9,134	11,891
Result from investments accounted for using the equity method	-194	-6
Result from disposal of consolidated subsidiaries and business units and intangible assets, property, plant and equipment and financial assets	-67	0
Changes in provisions	-625	170
Changes in deferred taxes	-0	-408
Other non-cash income and expenses	1,516	44
Changes in trade receivables	4,042	19
Changes in trade payables	8	4,315
Changes in other assets and liabilities	4,416	-5,007
Cashflow from operating activities	12,282	6,408
Proceeds from disposals of intangible assets, property plant, and equipment	0	744
Proceeds from disposals of consolidated subsidiaries, investments accounted for using the equity-method and business units, less cash and cash equivalents given up	0	100
Purchases of intangible assets	-9,440	-14,458
Purchases of property, plant and equipment	-58	-23
Purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired	0	0
Cashflow from investing activities	-9,497	-13,637
Proceeds to equity non-controlling interests	0	0
Proceeds from other financial liabilities	25,106	19,088
Repayments of other financial liabilities	-27,678	-2,508
Repayment of lease liabilities	-219	n/a
Cashflow from financing activities	-2,790	16,581
Cashflow-related changes in cash and cash equivalents	-5	9,352
Changes in cash and cash equivalents due to exchange rates	0	0
Changes in cash and cash equivalents due to changes in the scope of consolidation	0	0
Cash and cash equivalents at the beginning of period	21,335	16,907
Cash and cash equivalents at the end of period	21,330	26,259

HALF-YEAR FINANCIAL REPORT

Consolidated Statement of Changes in Equity

in €k	Issued capital	Capital reserve	Accumulated result
As of 1 January 2019	2,044	26,869	39,088
Change in scope of consolidation	-	-	-
Conversion of financial liabilities into equity	21,899	31,636	
Costs of the capital increase	-	-3,156	
Result of the year	-	-	-11,932
Other comprehensive income	-	-	-
Other adjustments	-	-	-259
As of 31 December 2019	23,943	55,349	26,897
As of 1 January 2020	23,943	55,349	26,897
Change in scope of consolidation	-	-	-
Result of the period	-	-	-6,046
Other comprehensive income	-	-	-
Other adjustments	-	-	-80
As of 30 June 2020	23,943	55,349	20,771

Accumulated other equity			Equity attributable to shareholders	Non-controlling interests	Equity
Foreign currency translation differences	Other comprehensive income	Other comprehensive income tax			
	-88	32	67,945	-268	67,677
-	-	-	-	-1	-1
			53,535		53,535
			-3,156		-3,156
-	-	-	-11,932	-49	-11,981
0	-48	14	-34	-	-34
-	-	-	-259	-0	-260
0	-136	46	106,098	-317	105,781
0	-136	46	106,098	-317	105,781
-	-	-	-	-	-
-	-	-	-6,046	99	-5,948
-	-	-	-	-	-
-	-	-	-80	-57	-137
0	-136	46	99,972	-276	99,696

HALF-YEAR FINANCIAL REPORT

Notes

1. General information

These condensed consolidated interim financial statements as of 30 June 2020 relate to Wild Bunch AG and its subsidiaries (the Group, the company or Wild Bunch). These consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as published by the International Accounting Standards Board (IASB) and adopted by the EU. The interim consolidated financial statements should be read in conjunction with the Wild Bunch IFRS consolidated financial statements as of December 31, 2019. The accounting policies applied in the consolidated half-year financial statements correspond to those applied in the consolidated financial statements for the 2019 financial year.

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

The half-year financial report was neither reviewed by an auditor nor audited in accordance with § 317 HGB. It was released for publication by the Management Board on 29 September 2020.

2. Changes in significant accounting policies

Since 1 January 2020, Wild Bunch has applied for the first time the following amendments to existing standards newly issued by the IASB and whose application is mandatory in the EU, but which have no material impact on the presentation of the consolidated interim financial statements of the Wild Bunch Group:

- Amendments to the Conceptual Framework in IFRS Standards and Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3: Definition of a business
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Definition of Material

3. Exercise of discretion and estimation uncertainties

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

Impairment of goodwill

The economic impact of the Corona pandemic is an indication ("triggering event") of the need for a situation-related impairment test as of 30 June 2020 for goodwill in the cash-generating unit International Sales and Distribution and Film Production. This is due in particular to the closure of cinemas in the second quarter of 2020 as a result of the general restrictions on contacts, and the cancellation or postponement of planned productions as a result of government travel and exit restrictions, which have led to a significant decline in sales.

As part of the impairment test on 30 June 2020, the recoverable amounts of the cash-generating unit were determined in the form of values in use. Compared with the measurement date of 31 December 2019, the values in use were determined using adjusted cash flows, which take into account in particular the adverse effects of the Corona pandemic on the cash flows in 2020, and adjusted discount rates.

Due to the current situation, it is difficult to predict the duration and extent of these adverse effects on cash flows. With reference to the best information currently available and management's assessment, it is assumed that the current COVID-19 situation will not last long.

On this basis, the impairment test carried out on 30 June 2020 for goodwill did not result in any impairment requirement.

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 2019.

5. Financial instruments

The following tables show the financial instruments by measurement category. The carrying amounts of the financial assets and liabilities reported in the consolidated balance sheet as of 30 June 2020 respectively 31 December 2019, which are assessed at amortised cost, are essentially the same as their fair values.

Financial Assets as of 30.06.2020 in €k		Valuation according to IFRS 9			
	Book value	Amortized costs	Fair value, not affecting net income	Valuation according to IFRS 16	Fair value
Trade receivables	33,019	33,019			33,019
Other financial assets					
Financial investments (Equity instruments)	480		480		480
Other financial assets	1,177	1,177			1,177
Other receivables	17,303	17,303			17,303
Cash and cash equivalents	21,383	21,383			21,383
Financial assets	73,362	72,882	480		73,362

Financial liabilities as of 30.06.2020 in €k		Valuation according to IFRS 9			
	Book value	Amortized costs	Fair value, not affecting net income	Valuation according to IFRS 16	Fair value
Financial liabilities					
Liabilities to banks	1,356	1,356			1,356
Leasing liabilities	3,625			3,625	3,625
Other financial liabilities	75,256	75,256			75,256
Trade payables					
Other financial liabilities	22,523	22,523			22,523
Financial liabilities	102,760	99,134		3,625	102,760

Financial Assets as of 31.12.2019 in €k		Valuation according to IFRS 9			
	Book value	Amortized costs	Fair value, not affecting net income	Valuation according to IFRS 16	Fair value
Trade receivables	36,932	36,932			36,932
Other financial assets					
Financial investments (Equity instruments)	480		480		480
Other financial assets	1,024	1,024			1,024
Other receivables	18,395	18,395			18,395
Cash and cash equivalents	21,362	21,362			21,362
Financial assets	78,192	77,712	480		78,192

Financial liabilities as of 31.12.2019 in €k		Valuation according to IFRS 9			
	Book value	Amortized costs	Fair value, not affecting net income	Valuation according to IFRS 16	Fair value
Financial liabilities					
Liabilities to banks	26,863	26,863			26,863
Leasing liabilities	5,013			5,013	5,013
Other financial liabilities	71,592	71,592			71,592
Trade payables	30,085	30,085			30,085
Other financial liabilities	20,470	20,470			20,470
Financial liabilities	154,023	149,010		5,013	154,023

Financial assets classified at fair value (equity instruments) relate to investments not included in the consolidated financial statements. No prices quoted on an active market are available for these, so that fair value cannot be reliably determined; therefore, they continue to be assessed at the lower of cost or present value of estimated future cash flows, which is assumed to be substantially the same as fair value.

6. Financial result

The financial result breaks down as follows:

Financial result in €k	1/1/ - 30/06/2020	1/1/ - 30/06/2019
Income from the repayment of financial liabilities through equity instruments	0	8,849
Interest income	6	24
Foreign currency gains from non-operating activities	5	3
Write-ups on financial investments	0	0
Other interest income	1,303	12
Financial income	1,313	8,888
Expenses from the repayment of financial liabilities through equity instruments	0	7,685
Interest expenses from financial liabilities	3,183	3,144
Foreign currency losses from non-operating activities	59	130
Other interest expenses	60	0
Financial expenses	3,302	10,960
Share in the result of associates	194	6
Impairment on shares of associates	0	0
Result of associates	194	6
Financial result	-1,795	-2,067

7. Segment reporting

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

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

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

The 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.

In the previous year's period, due to incorrect account allocation, sales revenues from production activities of € 1,983 thousand and corresponding production costs of € 1,870 thousand were allocated to the segment Other instead of the International Sales and Distribution and Film Production segment. There was no effect on earnings. The erroneous presentation in the same period of the previous year did not lead to any material distortion of the Group's situation. However, the previous year's presentation has been corrected to ensure better comparability of segment results with the current reporting period. There were no changes in the consolidated income statement, the consolidated balance sheet, or the consolidated cash flow statement.

Segment information business areas €k	International sales and distribution and film production		Other		Group	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Revenues ¹	22,534	34,964	2,799	4,359	25,333	39,323
Other film related income	184	658	528	526	712	1,184
Cost of sales ¹	-19,462	-27,811	-2,511	-3,854	-21,974	-31,666
Segment result	3,256	7,810	816	1,031	4,071	8,841
Unassigned result elements						
Other operating income					818	349
Administrative expenses					-8,930	-11,563
Other operating expenses					-38	-405
Operating result					-4,078	-2,778
Financial income					1,313	8,888
Financial expenses					-3,302	-10,960
Result of an associate or joint venture					194	6
Earnings before taxes					-5,873	-4,845

¹ Prior year amounts adjusted due to a wrong allocation of production revenues and corresponding cost of sales (IAS 8)

The impairment losses of € 651 thousand (previous year: € 1,962 thousand) recognized in the reporting period relate exclusively to the International Sales and Distribution and Film Production segment.

8. Significant transactions with related parties

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

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

The company considers Voltaire Finance B.V. ("Voltaire"), Schiphol, the Netherlands and Tennor Holding B.V. ("Tennor"), Schiphol, the Netherlands to be related parties. Voltaire held a total of 96.2 % of the voting rights in the company as of June 30, 2020 and as of December 31, 2019. Voltaire has provided the company with various loans totalling a nominal amount of € 75.3 million (31.12.2019: nominal amount of € 66.5 million). The company and Voltaire have agreed that Voltaire will defer the obligation to pay all interest accrued to date until 31 December 2021. Voltaire Finance B.V. provided the company with a short-term loan of € 8.8 million in the reporting period. This loan bears interest at 1 % p.a. With regard to the Company's relations and transactions with Voltaire, reference is made to sections 3.10, 3.11 and 3.14 of the Notes to the consolidated financial statements in the Annual Report 2019 of the Wild Bunch Group published on 30 June 2020. Furthermore, the company considers Mr Lars Windhorst to be a related party, as he is the economic beneficiary within the chain of companies controlling the companies of the Tennor Group, with which the companies controlling the companies in turn are associated, with Consortia Partnership Ltd. at the head.

In the first half of the 2020 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:

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 € 291 thousand as of June 30, 2019 (31.12.2019: € 291 thousand). In addition, trade payables to Circuito Cinema amounted to € 29 thousand (31.12.2019: € 29 thousand). In the first half of 2020, Circuito Cinema invoiced cinema revenues of € 31 thousand (6M 2019: € 104 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 € 35 thousand (6M 2019: € 97 thousand) in the first half of 2020.

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.

Wild Bunch S.A. has receivables of € 156 thousand from Insiders LLC, Los Angeles, USA from cost allocations as of 30 June 2020 (31.12.2019: € 439 thousand).

As of 30 June 2020, Wild Bunch S.A. has receivables of EUR 725 thousand (31.12.2019: € 251 thousand) from Wild Bunch International S.A., Paris, France. The receivables result from administrative services provided by Wild Bunch S.A. under a shared service agreement. Wild Bunch S.A. also has liabilities of € 1,857 thousand (31.12.2019: € 667 thousand) to Wild Bunch International S.A. The liabilities result from fees in accordance with the distribution agreement between the parties.

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

9. Other financial commitments

Other financial obligations and contingent liabilities as of 30 June 2020 were as follows:

Other financial obligations and contingent liabilities in €k	30/06/2020				31/12/2019			
	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
Minimum guarantees	12,554	7,988	4,566	0	18,842	2,727	16,115	0
Others	259	182	77	0	391	276	115	
Total	12,813	8,170	4,643	0	19,233	3,003	16,230	0

Further, there are contingent liabilities in the Group for funding loans that are to be repaid depending on performance of € 10.402 thousand (31.12.2019: € 12,156 thousand).

10. 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, 2020.

Berlin, as of 29 September 2020

Wild Bunch AG



Vincent Grimond
Chairman of the Management Board

Responsibility statement

I 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 29 September 2020

Wild Bunch AG



Vincent Grimond
Chairman of the Management Board

FORWARD-LOOKING STATEMENTS AND REFERENCES

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

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

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Credit of Photography

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