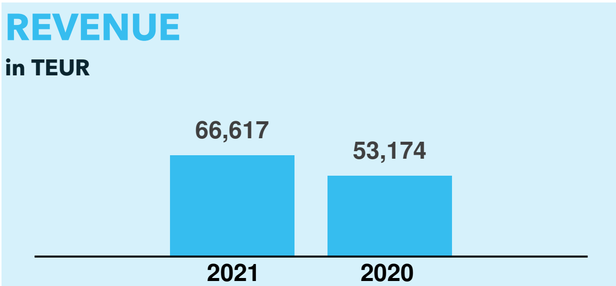
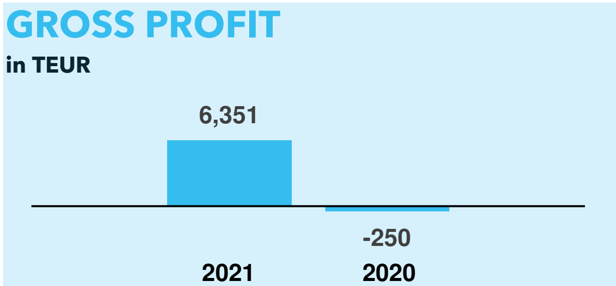
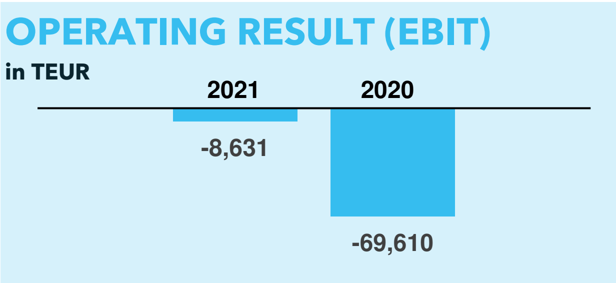
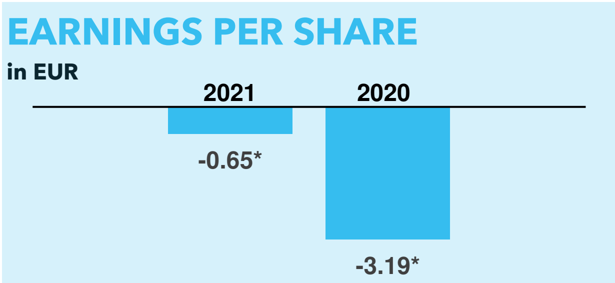
ANNUAL REPORT
2021

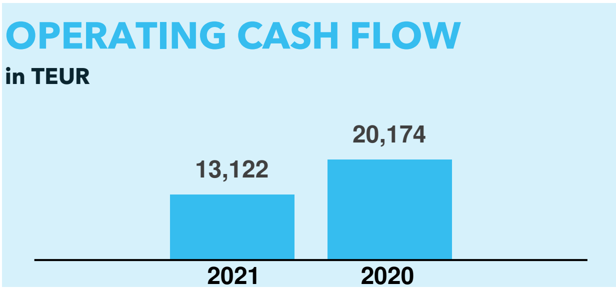
HIGHLIGHTS

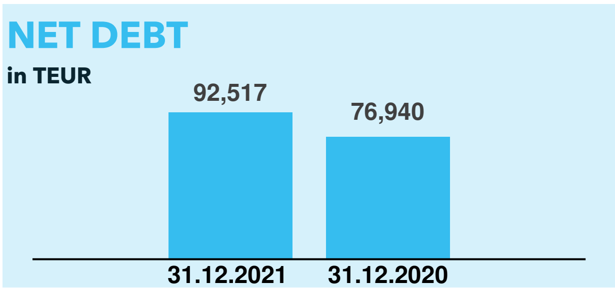












* based on an average of 23,942,695 shares outstanding in 2021 and in 2020.

- Corona pandemic with further influence on the operating business of the Wild Bunch Group.
- Revenue nevertheless improved to € 66,617 thousand.
- Gross profit margin positive at 9.53 % (previous year: -0.47 %).
- Operating result (EBIT) of € -8,631 thousand mainly burdened by a higher impairment of film rights and higher rental costs.
- Wild Bunch generates positive cash flow from operating activities of € 13,122 thousand.

COMPANY PROFILE

Based in Paris and Berlin, Wild Bunch AG (hereinafter referred to as "Wild Bunch" or the "Group") is a leading independent film and TV series production, sales and distribution company. It is listed on the Regulated Market (General Standard) of the Frankfurt Stock Exchange.

THE BUSINESS MODEL - PLAYER IN THE FIELDS OF CONTENT ACQUISITION, FILM AND TV SERIES FINANCING, CO-PRODUCTION AS WELL AS FILM AND TV SERIES SALES AND DISTRIBUTION WITH AN INTERNATIONAL DISTRIBUTION NETWORK

The Group is an independent European film and TV series distribution and production company actively engaged in content acquisition, film and TV series financing, co-production, film and TV series distribution and world sales. The Company offers a wide range of distribution services.

The geographical focus of its business activities is on France, Germany/Austria, Italy and Spain. Wild Bunch is thus the only independent group that is simultaneously present with its companies and brands in film & TV series production and distribution in these countries and thus has a Europe-wide network. In addition, the Group also serves the entertainment market worldwide with its international distribution labels and direct sales.

The country and brand strategy includes:

- France with Wild Bunch S. A., Wild Bunch International Sales SAS, Elle Driver SAS, Versatile SAS and brands such as Wild Bunch Distribution, Wild Side, Wild Bunch TV,
- Italy with BIM Distribuzione s.r.l. and BIM Produzione s.r.l.,
- Germany with Wild Bunch Germany GmbH and Central Film Verleih GmbH and the brand Senator Film Produktion
- Austria with Wild Bunch Austria and
- Spain with Vértigo Films S.L.

Already in 2008, Wild Bunch positioned and successfully established itself in the market of direct electronic content distribution with its VOD/SVOD film service FilmoTV in France. In addition, Wild Bunch is active in the area of film production, which primarily aims to be a constant source of cinematic content for the Group's distribution platform. Thus Wild Bunch produced or co-produced films, TV series and TV shows such as BLUE IS THE WARMEST COLOR, LE LIVRE D'IMAGES, VICTORIA, WOLF TOTEM, ÜBERFLIEGER - KLEINE VÖGEL GROSSES GEKLAPPER, OLAF MACHT MUT...

Wild Bunch thus continuously delivers high-quality content to the entertainment sector - through its expertise in identifying attractive projects, its global network of filmmakers or its proven know-how in international film financing.

The growing TV division Wild Bunch TV builds on all the advantages of the Group with the aim of becoming a unique co-producer of TV content for several countries and a worldwide distributor of such content. Wild Bunch TV has already distributed several TV series such as THE EXCHANGE PRINCIPLE, FOUR SEASONS IN HAVANNA, MEDICI MASTERS OF FLORENCE, THE NAME OF THE ROSE or TEAM CHOCOLATE.

Wild Bunch currently has a total library of around 2,500 film titles and TV series and usually co-finances or distributes up to 50 new independent films a year worldwide. With its long-standing reputation in the film business worldwide as well as its large and artistically diverse selection of international art house films, the Group considers itself well positioned and has already ensured the successful world distribution and reputation of numerous films. International and local successes have been achieved with renowned films such as THE ARTIST, LES MISÉRABLES, CARPHARNAÜM, DHEEPAN, DRIVE, FAHRENHEIT 9 / 11, THE GRANDMASTER, INTOUCHABLES, KIKI, THE KING'S SPEECH, LE PETIT NICOLAS, MARCH OF THE PENGUINS, MARY AND MIKE, PAN'S LABYRINTH, SHOPLIFTERS, SIN CITY, SPIRITED AWAY, TWO LOVERS, VICKY CRISTINA BARCELONA, VICTORIA.

The Company strives to offer the best in international cinema to film distributors and broadcasters worldwide.

THE MANAGEMENT - EXPERIENCE AND INTERNATIONAL NETWORK COMBINED

The business activities of Wild Bunch AG are controlled by an experienced management team. As an Executive Board member of Wild Bunch, Vincent Grimond brought until 15 November 2021 his many years of experience in management positions in the film industry to the Group. As of 16 November 2021, Hollywood legend Ron Meyer and media expert Sophie Jordan, with their extensive industry experience and global network, have been appointed as for the further development of the Wild Bunch Group. Vincent Grimond will remain in an advisory capacity and work closely with the new Executive Board.

They are supported by an experienced and international management team. Marc Gabizon, Chief Operations Officer (COO) of Wild Bunch Group and Managing Director of Wild Bunch Germany is based in Germany; Gregory Strouk, Head of Wild Bunch TV & Wild Bunch Digital and Damien Golla, Head of French Theatrical Distribution and Acquisition are based in Paris; Antonio Medici, CEO of BIM Distribuzione is based in Rome; Andres Martin from Madrid is Founder and Head of Vértigo Films; Adeline Fontan Tessaur from Paris is Managing Director of the international distribution company Elle Driver; Markus Aldenhoven, Legal & Business Affairs of Wild Bunch Germany is based in Munich; Estelle Bringer, CEO of FilmoTV is based in Paris; and Amandine Houpe, Chief Financial Officer of Wild Bunch S.A. From this position, she also manages the finances of the Wild Bunch Group from Paris.

THE STRATEGY - TAILOR-MADE PRODUCTS FOR PROFITABLE GROWTH

Despite the further on negative impact of the Covid-19 pandemic (also known as the "Corona pandemic") on business development, Wild Bunch is sticking to its goal of expanding its position as an independent, European film distribution and production company. The strong international network and synergies within the Group will be used to drive the activities - especially in the core markets - and to provide top-class films or TV series to film distributors and distribution platforms for audio-visual content worldwide, from cinema to digital video services. In addition to further penetrating existing markets, the development of new market segments is an essential part of the long-term growth strategy. In view of digitalisation and the accompanying and accelerated shift from linear TV consumption to on-demand TV, the Company sees itself as a pioneer in the development of innovative digital solutions in production, sales and distribution. The Company is actively shaping this radical paradigm shift and is continuously working to push the marketing of content via digital channels.

Tailor-made, attractive content and services for the entertainment sector - this is, in summary, the way Wild Bunch aims to return to profitable growth in the coming years.

REPORT OF THE SUPERVISORY BOARD

In the following, the Supervisory Board reports on its activities in the 2021 financial year, in particular on the type and scope of the audit of the management of the Company as well as on consultations in the Supervisory Board, on compliance with the requirements of the German Corporate Governance Code (GCGC), on the audit of the annual financial statements of Wild Bunch AG and the Group as well as on personnel changes in the Company's executive bodies. In accordance with the recommendation of the GCGC, the Supervisory Board has a sufficient number of independent members.

COOPERATION BETWEEN THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

In 2021, the Supervisory Board performed the duties and obligations incumbent upon it under the law and the Articles of Association. It continuously monitored the management of the Executive Board and regularly advised it on the management and strategic orientation of the Company.

The Supervisory Board was kept regularly, promptly and comprehensively informed from the Executive Board. The reports contained all relevant information on the business development, on the most important financial key figures and the situation of the Group, including the risk situation and risk management. The Executive Board coordinated the strategic orientation of the Group with the Supervisory Board and discussed with it all business transactions of significance for the Company, the further strategic orientation and the future financing of the Group. The Supervisory Board was involved in all decisions that were of fundamental importance for the Company.

The Supervisory Board was also informed in detail by the Executive Board between meetings about special intentions and projects that were urgent for the Company and - if necessary - it gave its written vote. The Chairman of the Supervisory Board was also regularly informed outside of the Supervisory Board meetings by the Executive Board.

The Supervisory Board fulfilled its auditing duties, among other things and insofar as not described separately in this report, by receiving and discussing reports from the Executive Board, the employees and the auditors commissioned to audit the annual and consolidated financial statements.

MEETINGS OF THE SUPERVISORY BOARD

In 2021, five Supervisory Board meetings were held, two in the first half of 2021 and three more in the second half of 2021. All Supervisory Board meetings were held as video conference calls due to the pandemic. The participation rate of the members in the meetings of the Supervisory Board was 100 %.

COMMITTEES

In order to ensure the efficient performance of its duties, the Supervisory Board has the following two committees: The Audit Committee and the Investment Committee. The Audit Committee consisted of the following members during the financial year: Mr Pierre Tattevin (Chairman) and Mr Tarek Malak. Mr Pierre Tattevin also serves as the Independent Financial Expert (IFC) of the

Supervisory Board. The Investment Committee was composed of the following members: Mr Tarek Malak (Chairman), Mr Kai Diekmann and Arjun Metre. In 2021, respectively one meeting of the Audit Committee and one meeting of the Investment Committee took place.

DELIBERATIONS IN THE SUPERVISORY BOARD

The subject of regular reporting by the Executive Board and consultations in the meetings of the Supervisory Board and its committees were the development of revenue and earnings of the group companies and the Group, the financial and liquidity situation, the status of work on the annual financial statements, the Group's situation and measures in the continuing Covid-19 pandemic in the year 2021, the further development of the business model and the strategic orientation of the Group.

The subject of reports from the Supervisory Board was, among other things, the structuring of the Group under company law. This included, in particular, discussions on the necessity of the continued stock exchange listing of the company and a squeeze-out demand under stock corporation law submitted by Voltaire Finance B.V. as well as on the Joint Reasoned Statement of the Supervisory Board and the Executive Board with regard to a mandatory takeover offer and a voluntary public purchase offer submitted at the same time by Voltaire Finance B.V. to the shareholders of the company.

In the first half of the year, the meetings focused on the short- and medium-term liquidity situation of the Group, adjustments to the operating business against the background of the pandemic situation, and the future strategic orientation of the Group. In the further course of the year, the focus was on discussing possibilities for strategic financing of the Group by outside investors as well as new appointments for the Executive Board of the company.

In addition, the following topics of the Supervisory Board meetings should be highlighted:

1. Advising the Executive Board on the preparation and presentation of the 2020 annual financial statements (separate and consolidated financial statements) and the required documentation of the underlying audit matters.
2. Consultation within the Supervisory Board on the disposal of Group companies.
3. Advising the Executive Board on further Group financing by taking out a shareholder loan.
4. Consultation within the Supervisory Board on the future composition of the Executive Board and on key points of a termination agreement with the Chairman of the Executive Board.

RESOLUTIONS OF THE SUPERVISORY BOARD

At its meetings, the Supervisory Board passed resolutions on the budget planning submitted by the Executive Board for the 2021 financial years, the adoption and approval of the annual and consolidated financial statements for the 2020 financial year, the adoption of the dependency report and the corporate governance documentation for the 2020 financial year. The Supervisory Board also passed resolutions on the selection of the auditor for the 2021 financial year, on a policy for the commissioning of non-audit services, on the extension of D&O insurance, on the agenda for the Annual General Meeting of the Company and on a system for the remuneration of the Executive Board. The Supervisory Board also passed resolutions on the appointment of the Executive Board members Mr Ron Meyer and Ms Sophie Jordan as well as key points of a termination agreement with the Chairman of the Executive Board.

CORPORATE GOVERNANCE

The Supervisory Board has dealt with corporate governance issues in the Company several times in its meetings. The Executive Board and the Supervisory Board agreed on updating the declaration of compliance with the German Corporate Governance Code and issued the joint declaration of compliance in accordance with § 161 of the German Stock Corporation Act (AktG) in April 2021. It has been made permanently available to the public on Wild Bunch AG's website together with previous declarations of conformity. In it, the Executive Board and the Supervisory Board have declared that the recommendations of the German Corporate Governance Code in the version of 16 December 2019 have been and are being complied with, with the exceptions specified in the declaration of compliance. The Executive Board and the Supervisory Board explain corporate governance separately in the Corporate Governance Report.

EXPLANATIONS PURSUANT TO THE TAKEOVER DIRECTIVE IMPLEMENTATION ACT

The Supervisory Board has examined the information provided in the management report of Wild Bunch AG and the Group management report in accordance with §§ 289a and 315a (4) of the German Commercial Code (HGB) and the explanations provided by the Executive Board. Reference is made to the corresponding explanations in the combined Group Management and Management Report. The Supervisory Board has examined the information and explanations and adopts them. In the opinion of the Supervisory Board, they are complete.

COMPOSITION OF THE SUPERVISORY BOARD

In the 2021 financial year, the following personnel changes occurred in the composition of the Supervisory Board: The mandate of Mr Pierre Tattevin ended at the end of 31 December 2021. Subsequently, the Supervisory Board consisted of the three members still in office, Mr Tarek Malak, Mr Kai Diekmann and Mr Arjun Metre. Mr Pierre Tattevin was re-elected to the Supervisory Board by the Annual General Meeting on 25 January 2022.

APPOINTMENT OF THE EXECUTIVE BOARD

In the financial year 2021, the Executive Board of the Company consisted of Mr Vincent Grimond as sole Executive Board member (Chairman of the Executive Board) until 15 November 2021. At the end of 15 November 2021, Mr Vincent Grimond resigned from the Executive Board of the Company. From 16 November 2021, the

Supervisory Board appointed Mr Ron Meyer and Ms Sophie Jordan as members of the Executive Board for a period of two years. Mr Ron Meyer holds the office of Chairman of the Executive Board.

AUDIT OF THE FINANCIAL STATEMENTS OF WILD BUNCH AG AND THE GROUP AS OF 31 DECEMBER 2021

Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, was elected as auditor of the annual financial statements and as auditor of the consolidated financial statements for the 2021 financial year and as auditor for the review, if any, of interim financial reports until the next annual general meeting by resolution of the annual general meeting of Wild Bunch AG on 25 January 2022 and was commissioned by the Supervisory Board on 8 February 2022 to perform the audit procedures. The subject of the audits were the annual financial statements of Wild Bunch AG submitted by the Executive Board and prepared in accordance with the provisions of the German Commercial Code (HGB) and the consolidated financial statements as well as the combined group management and management report for the 2021 financial year, which were prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) and, in addition, in accordance with the provisions of commercial law applicable under § 315e (1) HGB. The annual financial statements of Wild Bunch AG received an unqualified audit opinion, and the consolidated financial statements received a qualified audit opinion.

The annual financial statements of Wild Bunch AG as well as the consolidated financial statements and the combined group management and management report for the 2021 financial year were presented to all members of the Supervisory Board. They were the subject of the joint meeting of the Supervisory Board and the audit and accounting committee on 29 April 2022, which was also attended by representatives of the auditor, who were available to answer questions. The Supervisory Board took note of and approved the results of the audit. Following the final results of its own examination, no objections were raised. The Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Executive Board as well as the combined group management and management report. The annual financial statements for the 2021 financial year are thus adopted.

REVIEW OF THE REPORT OF THE EXECUTIVE BOARD ON RELATIONSHIPS WITH AFFILIATED COMPANIES

Due to the existing shareholdings in the Company in the reporting year, Wild Bunch AG is to be classified as a company dependent on a single shareholder in the reporting year. A control and/or profit transfer agreement with the controlling company does not exist.

The Executive Board of Wild Bunch AG has therefore prepared a report on the relationship with affiliated companies for the 2021 financial year for the period of dependency (dependency report) in accordance with § 312 of the German Stock Corporation Act (AktG). The Executive

Board submitted the dependency report to the Supervisory Board in due time.

The Company's auditor has audited the dependency report and issued the following audit opinion:

"Following our statutory audit and assessment, we confirm that

1. the actual information in the report are correct,
2. in the legal transactions listed in the report, the payment of Wild Bunch AG was not unreasonably high."

The auditor reported in detail to the Supervisory Board as a whole and, in addition, to the Audit Committee in a separate meeting on its audit and the main results of its audit. The members of the Supervisory Board discussed these with the Executive Board on the basis of the report of the Chairman of the Audit Committee at their meeting on 29 April 2022. The members of the Supervisory Board came to the conclusion that the audit complies with the legal requirements. Within the scope of its own findings, the Supervisory Board did not become aware of any indications of incorrectness or incompleteness or other objections. The Supervisory Board concurs with the Executive Board's proposal for the appropriation of profits.

The Supervisory Board would like to thank the Executive Board, management and employees for their great commitment and personal dedication.

The Supervisory Board

Berlin, 29 April 2022

Tarek Malak
Chairman

THE SHARE

SHARE PRICE DEVELOPMENT

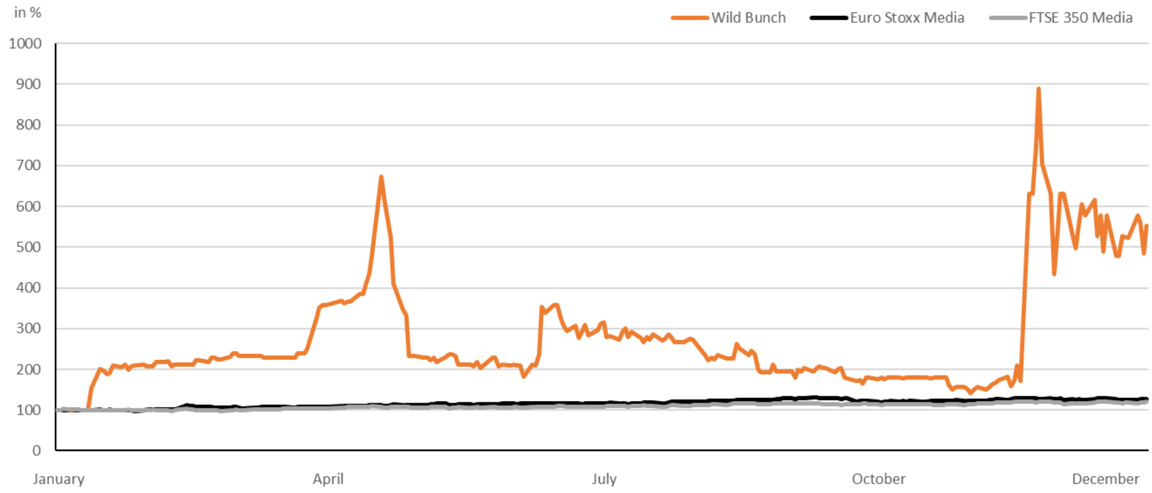
The Wild Bunch AG share, which is listed on the Regulated Market (General Standard) of the Frankfurt Stock Exchange (initial listing 25 February 2008), performed significantly better in 2021 than the German market barometer DAX® (Deutscher Aktienindex). The Dax® showed a stable upward movement in 2021 until September of the year, only to remain sideways. The Dax® closed the year with a performance of plus 15.7 %. The Wild Bunch share, however, gained around 431.6 % in the same period.

The share price development in 2021 was characterised by high price fluctuations, especially in April and November. The share opened the trading year on 4 January 2021 with a price of € 0.95, only to remain at its low for the year of € 0.94 for the next six trading days. In April, it reached a first price peak of € 6.40, and in November the share reached its high for the year of € 8.45. With a share price of € 5.05, the Wild Bunch share closed the trading year 2021 on 30 December 2021. At that time, this corresponded to a market capitalisation of Wild Bunch AG of € 120.91 million. All share price data refer to the electronic stock exchange Xetra of the Frankfurt Stock Exchange.

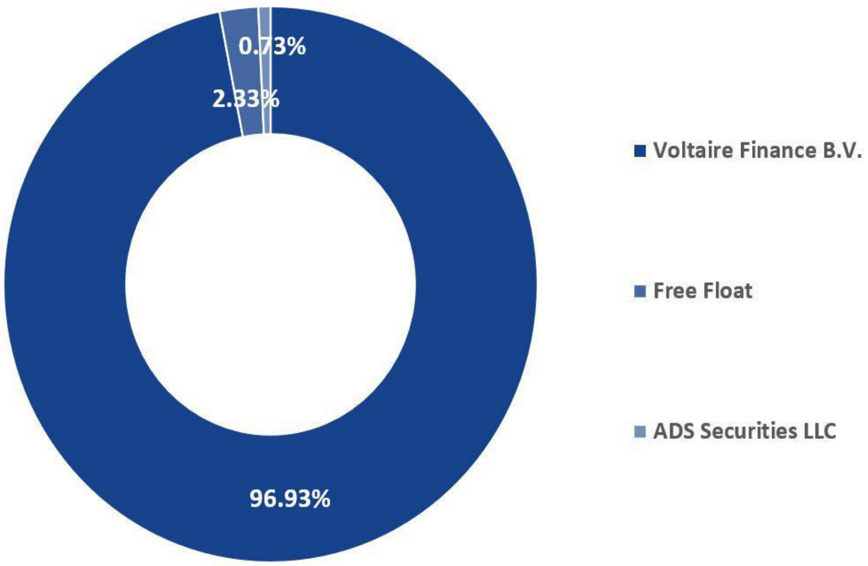
IMPORTANT KEY DATA OF THE SHARE

Securities identification number	A2TSU2
ISIN	DE000A2TSU21
Stock exchange symbol	WBAH
Trading segment Transparency level	Regulated Market General Standard
Share class	Ordinary or no-par value bearer shares
Initial listing	25 February 2008
Share capital (31 December 2021)	€ 23,942,755.00
Market capitalisation (30 December 2021)	€ 120.91 m

SHARE CHART (4 JANUARY - 30 DECEMBER 2021)



SHAREHOLDER STRUCTURE (AS OF 31.12.2021)



Voltaire Finance B.V., with a holding of 96.93 % of the shares, continues to be the largest investor in the Company and a stable and long-term oriented anchor investor. ADS Securities LLC is another long-term anchor investor with a share of 0.73 %. The remaining shares of the Wild Bunch founders are now added to the free float.

The free float amounts to approximately 2.33 % of the shares.

On 25 November 2021, Wild Bunch AG was informed that Voltaire Finance B.V. has published its decision to make an acquisition offer pursuant to § 10 (1), of the German Securities Acquisition and Takeover Act

("WpÜG"). Also on 25 November 2021, Mr Ingmarus Johannes Maria Snijders published the acquisition of indirect control over Wild Bunch AG pursuant to § 35 (1) of the WpÜG in conjunction with § 10 (3) of the WpÜG. On 13 January 2022, the offer document for the mandatory offer of Mr Ingmarus Johannes Maria Snijders and for the voluntary acquisition offer of Voltaire Finance B.V. was published. Following the execution of the mandatory offer and the voluntary acquisition offer, Voltaire Finance B.V. holds a total of 98.16 % of the shares and the free float amounts to approximately 1.84 % of the shares.

INVESTOR RELATIONS

Communication with the capital market was limited to the legally required scope due to restricted capacities.

TRANSFER REQUEST FOR SHARES OF THE MINORITY SHAREHOLDERS (SHARE-LEGAL SQUEEZE-OUT)

On 25 November 2021, Voltaire Finance B.V., as the majority shareholder of Wild Bunch AG, submitted a formal request pursuant to § 327a (1) of the German Stock Corporation Act (AktG) that the General Meeting of Wild Bunch AG resolve to transfer the shares of the remaining shareholders (minority shareholders) to Voltaire Finance B.V., as the majority shareholder, in return for an appropriate cash compensation (so-called share-legal squeeze-out). As of the reporting date, no further steps have been initiated by the Executive Board and Supervisory Board.

ANNUAL GENERAL MEETING

Due to the continuing Corona pandemic, the Annual General Meeting 2021 of Wild Bunch AG took place on Tuesday, 25 January 2022 in Berlin as a virtual Annual General Meeting without the physical presence of the shareholders as in the previous year.

The approved annual financial statements of Wild Bunch AG as of 31 December 2020 and the approved consolidated financial statements as of 31 December 2020 were presented to the Annual General Meeting. The Annual General Meeting approved the actions of the Executive Board and Supervisory Board for the 2020 financial year. Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, was once again elected as auditor of the annual financial statements and auditor of the consolidated financial statements for the 2020 financial year and as auditor for any review of interim reports or other financial information during the year.

Furthermore, it was decided to re-elect Mr Pierre Tattevin, whose term of office ended on 31 December 2021, to the Supervisory Board.

Furthermore, the Annual General Meeting passed a resolution on the approval of the remuneration system for members of the Executive Board and members of the Supervisory Board.

COMBINED GROUP MANAGEMENT AND MANAGEMENT REPORT

INTRODUCTION

This combined group management and management report of Wild Bunch AG was prepared in accordance with § 315 HGB. Unless explicit reference is made to Wild Bunch AG or the Wild Bunch Group (hereinafter referred to as "Wild Bunch" or the "Group"), the statements refer equally to Wild Bunch AG and the Group. The statements on the course of business and the results of operations, net assets and financial position of the Group are based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Totals and percentages have been calculated on the basis of non-rounded euro amounts and may differ from a calculation based on the reported thousand or million euro amounts.

GENERAL INFORMATION ABOUT THE GROUP

1. GENERAL INFORMATION ABOUT THE GROUP

1.1. GROUP STRUCTURE AND BUSINESS MODEL

The Wild Bunch Group is a leading independent European media company active in international sales and distribution as well as in the production and co-production of films and TV series with its subsidiaries and brands.

Production is essentially characterised by the fact that an exploitation right is acquired before the film is completed. It is a "delivery method" for film content that is becoming increasingly significant for the Group. Compared to co-production or the acquisition of a finished film, production is characterised by a greater involvement in the creation of projects and their development, and thus in the artistic and financial control that the Group can exercise. Wild Bunch does not have its own film studios. This makes the Company's production concept fundamentally different from that of American studios.

After its own production or co-production or the purchase of exploitation rights, Wild Bunch serves its partners of the most diverse reception channels, from cinema operators to TV broadcasters to providers of digital video content, with this content via its own classic or digital direct distribution. The target markets in focus are cinema, TV and VOD/SVOD providers (also called OTT video providers) as well as, of decreasing importance, exploitation via DVD/Blu-Ray.

With its French VOD/SVOD platform FilmoTV, Wild Bunch also has its own digital distribution channel.

Country and brand strategy

The geographical focus of its business activities is on France, Germany/Austria, Italy, and Spain. Wild Bunch is simultaneously present in film & TV series production and distribution in these countries with its companies and brands and has an extensive pan-European network. In addition, Wild Bunch markets its library of around 2,500 film and series titles of various genres worldwide and usually distributes up to 40 new independent films a year.

Germany/Austria/France **Italy** **Spain**

Production and distribution

VOD/SVOD platforms

Group structure

The management company of the Wild Bunch Group, Wild Bunch AG, is a listed stock corporation with its registered office in Berlin and, as the holding company, fulfils a holding function and is responsible for management, financing, group law, communication, and information technology (IT).

Under this, the business activities are divided into the two segments "International Sales and Distribution and Film Production" and "Other". The first segment comprises the (co-)production and distribution of films, TV series and other cinematic content. The second segment combines the operation of the own VOD/SVOD platform and other activities.

1.2. EMPLOYEES

The Group employed an average of 132 employees (incl. management) in the 2021 financial year, compared to 134 employees (incl. management) in the previous year. This reflects the efforts to keep administrative costs stable.

1.3. RESEARCH AND DEVELOPMENT

Wild Bunch does not conduct any research and development activities in the narrower sense. Accordingly, there are no allocable expenses for research and development.

1.4. INTERNAL CONTROL AND MANAGEMENT SYSTEM

The Executive Board of Wild Bunch AG is responsible for the strategic orientation and management of the Group. The operational responsibility of the group companies lies with the respective management. These companies are managed through shareholders' meetings, strategy meetings, short and medium-term planning, and regular reporting on the course of business. The Executive Board has aligned the internal control system with the Group strategy and defined suitable control parameters. An important module of the internal management and control system is the regular recording and updating of key figures and data as well as reporting to the Executive Board and the Supervisory Board. The subject of the analyses and reporting are in particular the performance indicators presented in 2.2. Reporting and analyses are supplemented by the accounting-related internal control and risk management system (cf. section 4.), in particular the detailed risk recording and risk monitoring in the acquisition and exploitation of films.

BUSINESS REPORT

2. BUSINESS REPORT

2.1. MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

2.1.1. MACROECONOMIC ENVIRONMENT

Especially the economic development in the core markets France, Germany, Italy, and Spain have a significant influence on the operating success of the Wild Bunch Group. In addition, the Group also operates in non-European markets, such as the USA, for example in film purchasing or in its global distribution activities.

In 2021, the overall economic environment was again significantly shaped by the Corona crisis. New virus variants led to a prolongation and further waves of the pandemic worldwide, with new economic impairments. In all relevant target markets, however, massive vaccination campaigns started with high momentum to combat the pandemic. In addition, restrictive measures such as contact and mobility restrictions were used flexibly. Worldwide access to vaccines, comprehensive testing strategies, digital control instruments and the promotion of drug developments were among the government's priorities in order to reduce the risk of further dangerous virus variants. There is hope for the Omicron virus variant, which has a higher probability of infection but a milder course. Thus, at the beginning of 2022, the first opening steps in the individual countries began to emerge.

The other major economic impairments in 2021 include, in particular, the supply chain problems caused by the Corona crisis, the noticeable rise in energy prices due to increased demand for oil, a sharp rise in inflation due to high price increases and years of expansionary monetary policy, and the political tensions in the Ukraine conflict.

These factors led to a slower than expected recovery of private consumption and thus of the global economy and are expected to continue to have a negative impact in the future. However, due to the different characteristics and effects of the factors, there were different recovery tendencies in our core markets.

Against this backdrop, the International Monetary Fund (IMF) reports in its World Economic Outlook of January 2022 a strong recovery in global output of 5.9 % in 2020 after a fall of 3.1 % in 2020.

After a shortfall of 3.4 % in 2020, the **US** economy recovered strongly by 5.6 % in 2021. The **European Union** experienced a comparable recovery of 5.2 % in 2021 after a 6.4 % decrease in 2020.

Wild Bunch's most important markets showed correspondingly also sometimes strong recoveries in their economic performance in 2021, but with great differences in the extent.

According to the IMF, **French economic production** rose by 6.7 % in 2021 after falling by 8.0 % in 2020. The **German economic production** recorded an increase of 2.7 % in 2021 (previous year: -4.6 %). According to the IMF, **Italy** saw a recovery of 6.2 % in 2021 compared to minus of 8.9 % in the previous year. **Spain's** economic production recovered by 4.9 % in 2021, after suffering the biggest setback of the company's core markets in 2020 with minus 10.8 %.

The exchange rate between the euro and the US dollar also have an influence on the business activities of the globally active Wild Bunch Group. According to data from the European Central Bank (ECB), the rate stood at 0.81 euros/US dollar at the beginning of 2021. After a sideways movement in the first months the rate rose steadily and closed the year on the last trading day at a rate of 0.88 euros/US dollar.

2.1.2. SECTOR-SPECIFIC ECONOMIC ENVIRONMENT

The ongoing Corona crisis has confirmed the changes in the Entertainment & Media industry that it brought about and intensified in the previous year, also in 2021. Digitalisation and a further rejuvenating audience actively taking control of their own media consumption are leading to generational shifts with the corresponding impact on the industry. Here, trends are set and determined according to favoured content. Against this backdrop, content creators are now demanding a higher profit share for attracting viewers.

The growth segment of streaming content, especially SVOD (subscription video-on-demand), will continue to have a significant impact on the Entertainment & Media industry. The new focus aims to improve the customer experience to add value to and better monetise the immense subscriber base that has materialised in 2020 and before. The competition for content to increase customer engagement and improve customer experience is entering its next round. This content is increasingly being produced locally and in local languages by both global and domestic providers. Films planned for the cinema can thus also go directly to OTT video platforms and have their first broadcast there. Large film libraries are also an asset of film companies that should not be underestimated, as evidenced by Amazon's purchase of MGM for 8.5 billion US dollars in May 2021.

New laws have also been initiated at the regulatory level, for example in the EU, to create a level playing field in digital markets. On 15 December 2020, the EU Commission presented a comprehensive regulatory package for online platforms. It includes two regulations: the Digital Services Act and the Digital Markets Act. The Digital Markets Act is intended to complement competition law. According to it, the EU Commission is to be able to classify central online platforms such as search engines, social networks or online mediation services as gatekeepers. Stricter rules are to apply to them in future: For example, they should no longer be allowed to favour their own offers in the ranking. The proposed regulatory package is currently being discussed and voted on between the EU states and the European Parliament.

According to estimates in the industry study "PwC Global Entertainment & Media Outlook 2021 - 2025" by the business and auditing firm PriceWaterhouse Coopers ("PwC"), the total revenue in the industry will strongly bounce back in 2021, with 6.5 % to 2.2 trillion US dollars, from 2.0 trillion US dollars in 2020.

2.1.2.1. CINEMA

In their study, PwC analysts estimate that worldwide gross box-office will amount to 23.0 billion US dollars in 2021 (previous year: 11.8 billion US dollars). From the gradual reopening's of cinemas in Europe, the industry was able to draw courage again. Although there was a lack of new material in the cinemas, a large number of films, especially those with blockbuster potential, continued to be postponed. The competition for the best release date has been reignited.

2.1.2.2. ELECTRONIC DISTRIBUTION (OVER-THE-TOP - OTT VIDEO)

Electronic distribution includes the sale of film rights and content to over-the-top video offerings (OTT video), i.e. for the reception of content directly via an end device connected to the internet, such as a television (smart TV) or other peripheral devices (e.g. game consoles) as well as via mobile end devices such as smartphones, tablets and notebooks. A distinction is made between single-use transactional video-on-demand (TVOD), i.e. the purchase or rental of a video for a limited period of time, the right of use expires at the end of the period, or the possibility of multiple use with subscription video-on-demand (SVOD), i.e. a subscription model, with mostly monthly payment for rights of use of an (un)limited number of film titles. Another emerging offer is advertising video-on-demand (AVOD), which is an advertising-financed usage model. In the area of electronic distribution, we also subsume the sale and rental of DVDs or Blu-rays (home entertainment business) due to the reciprocal influence with OTT video.

PwC analysts expect the global OTT video market to generate total revenues of 65.6 billion US dollars in 2021 (previous year: 58.4 billion US dollars). While the outbreak of the Corona pandemic in 2020 still brought a considerable boost in subscription figures, the trend has reversed as people were less likely to stay at home again following the easing of measures during 2021. The OTT video market is thus returning to normal. New providers such as Disney+, HBO or Peacock have long since established themselves alongside the market leaders Netflix and Amazon Prime. The trend is towards a content strategy in which the user associates the provider with specific brand content. Due to the many individual offers in streaming, a strategic advantage of the market participants will be the solution of the respective payment processing. In the future, market participants will also place more emphasis again on the technical accessibility of their services especially in the saturated markets in complete coverage and in the emerging markets with new reception technologies such as 5G.

The market participants continue to engage in an extensive competition for local content. In addition, the regulatory requirements for market participants remain high.

2.1.2.3. TRADITIONAL TELEVISION / HOME ENTERTAINMENT

The market segment "Traditional TV" is facing a further weakening of demand in the coming years, although pay-TV can have a stabilising effect. Through strategic investments in new services, including OTT video platforms, the pay-

TV experience of users is improving visibly, leading to increased usage.

Public funding through licence fees will continue in the traditional TV market, even though some countries are already discussing tax-based solutions for public TV. In Europe in particular, public TV funding is expected to continue in order to protect local content and market players.

PwC sees a global market of 209.3 billion US dollars for traditional TV in 2021.

The home entertainment market continues to decline, as consumers will increasingly do without physical media. The demand for DVDs and Blu-rays will become a niche market in the long term, comparable to the market for analogue sound carriers such as vinyl records. This is also reflected in the estimates of the analysts at PwC. Total sales are estimated at only 9.8 billion US dollars in 2021 (previous year: 11.4 billion US dollars).

2.1.2.4. PRODUCTION

Due to the Corona pandemic, the production units of the Wild Bunch Group were virtually in a holding pattern. After the respective lock-downs, filming could continue, but only under the strictest safety and hygiene measures.

Although according to the umbrella organisation of the German film industry SPIO e.V., in 2021 the number of German feature film premieres in cinemas increased by a 18 % with 107 compared to 91 in 2020, the sharp drop due to the pandemic related impact on cinema operations has thus continued in 2021 as well. Over the long term, the 10-year average is 142 films. 47 % of new German feature films were German-foreign co-productions, with France, Austria, , Belgium, the USA and Switzerland among the preferred co-production countries over the past 10 years. 147 (previous year: 132) production companies were involved in the German premieres in 2021.

The market for French film productions performed better, returning to pre-Corona pandemic levels in 2021 according to the latest figures from the National Film Board (CNC). In the two years of the Corona pandemic, an average of 289 films were made per year, compared to an average of 300 before. After 239 films were approved in 2020, it was 340 films again in 2021. Consequently, the number of co-produced films also rose sharply from 88 in 2020 to 143 in 2021.

2.2. FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

FINANCIAL PERFORMANCE INDICATORS

The primary goal of the Wild Bunch Group remains to sustainably increase the value of the Company. Revenue, gross profit[1], the operating result (EBIT) and net debt are the key performance indicators within the Group.

[1] Gross profit relevant for the management of individual areas in the segments; no management parameter at the level of the entire Group

Wild Bunch AG is managed according to the annual result.

NON-FINANCIAL PERFORMANCE INDICATORS

Beyond the financial performance indicators, non-financial performance indicators or success factors are of central importance for the performance of the Company. These result from the specific requirements of the business model.

ADMISSIONS

In the "International Sales and Distribution and Film Production" segment, the box office business generated by a film is a decisive factor for profitability, as theatrical success usually also influences the subsequent exploitation stages. From the middle of the year until the end of the financial year 2021 and beyond, the Wild Bunch Group was able to restart the film exploitation in cinemas following the gradual reopening of them.

ACCESS TO RIGHTS

The Wild Bunch Group is in competition with others when it comes to acquiring rights to literary works and screenplays or concluding contracts with successful directors, actors and film studios. For this reason, the Wild Bunch Group maintains close cooperation with renowned and experienced screenwriters, directors and producers in Europe who have a proven expertise in the production of feature films and TV formats.

EXPERTISE AND CONTACT NETWORK

Both technical and content expertise are crucial, especially in view of the increasing importance of the digital video market. Equally important are the recruitment, promotion and retention of well-trained, skilled, committed and creative staff. A broad and established network of contacts as well as trusting cooperation with business partners are also important factors for the success of the Wild Bunch Group.

2.3. BUSINESS PERFORMANCE AND ANALYSIS OF NON-FINANCIAL PERFORMANCE INDICATORS

Despite the continuing impact of the Corona pandemic on the business activities of theatrical distribution and international sales, the broadly diversified Group showed its ability to react also in 2021 by, among other things, increasingly serving the other exploitation levels such as OTT video and traditional TV via its electronic direct sales. In doing so, the Wild Bunch Group is making greater use of the possibility of "direct to" release of films as in the previous year, i.e. the direct sale of films without the cinema exploitation stage.

2.3.1. SEGMENT INTERNATIONAL SALES AND DISTRIBUTION AND FILM PRODUCTION

2.3.1.1. THEATRICAL DISTRIBUTION[1]

After the massive crash in 2020 due to the cinema closures during the Corona pandemic in France, Germany, Italy and Spain, the cinema sector showed a clear sign of recovery in 2021. However, the industry is still well below pre-pandemic levels as the ongoing cinema closures in the first half of the year, together with other restrictive measures, still had a significant impact on annual cinema attendance.

In the 2021 financial year, a total of 25 films (previous year: 20 films) were released in France, Germany, Italy, and Spain, with theatrical revenue of € 5,602 thousand compared to € 5,240 thousand in 2020.

Among them, 7 films released in French cinemas, such as L'AMANT, which reached 260k admissions; 5 films released in Germany by Wild Bunch Germany, such as DIE PFEFFERKÖRNER UND DER SCHATZ DER TIEFSEE (265k admissions); 6 films released in Italy by BIM, such as THE FATHER, which reached 214k admissions and 7 theatrical releases in Spain by Vértigo, including EARWIG & SPIRITED AWAY, which reached 54k admissions.

However, 2021 was also marked by some disappointing films such as SENTIMENTAL in France (22k admissions), FALLING in Italy (23k admissions) or ICE ROAD in Germany (55k admissions).

In order to reduce the dependence on film releases via cinemas, the Wild Bunch Group also marketed its films directly to TV channels and VOD platforms via its "Direct To" activities. In 2021, 31 films (previous year 27 films) were distributed through this distribution channel. These include 11 films in France with MADAME CLAUDE, THE OTHER SIDE, BLACK BEACH and AYA, 8 films in Italy with THE MAURITANIAN, MADE IN ITALY, THE NEST and LONG STORY SHORT, 4 films in Spain with MY COUSIN, THE MARCO EFFECT and 8 films in Germany including SKYLINE 3, GREAT WHITE, CRISIS and UNITED STATES VS BILLIE HOLIDAY.

2.3.1.2. INTERNATIONAL SALES

Wild Bunch's international sales activities are grouped under the three brands: Wild Bunch International, Elle Driver and Versatile. The activities under the latter company were terminated in September 2020. However, the sale of the existing film rights catalogue is still taking place. World distribution has also been affected by the Corona pandemic further on.

The Corona pandemic also led to the cancellation, postponement or decimation of many important markets and festivals in 2021, such as the Festival and Marché du Film de Cannes. However, these markets are the most important events for the sale and acquisition of films. Even alternative virtual markets held by the initiators were less efficient and the resulting business activities rather low.

[1] The information on admission figures in this section is not part of the statutory audit of the annual and consolidated financial statements.

Just like international distribution, Wild Bunch TV's distribution activities in 2021 were also affected by the Corona pandemic. In this genre, too, the most important film-series markets (MIPCOM, MANIA SERIES, MIPTV) were cancelled in favour of less efficient virtual or hybrid markets with correspondingly restrained business.

The most important trends of the last few years in world distribution are that, on the one hand, digitalisation is making further inroads into distribution, and, on the other hand, global streaming providers are demanding comprehensive content rights and producers are thus faced with a choice: Do they hand over the rights to the content to the streamers for a high production fee? Or do they build up their budget through co-production, pre-sales and distribution of material in order to participate in the collaboration in the best possible way?

Global distribution revenues were stable in 2021 (€ 17,152 thousand compared to € 15,979 thousand in 2020).

2.3.1.3. DIRECT ELECTRONIC DISTRIBUTION AND HOME ENTERTAINMENT

Electronic distribution will continue to account for a significant share of the Wild Bunch Group's business activities in terms of volume and growth in 2021. It benefits from the increasing digitisation and the ongoing significant shift towards streaming services, while home entertainment (physical videos) continues to decline.

The business development of the Wild Bunch Group also shows that traditional television and non-linear/electronic content and offers can nevertheless coexist. Traditional television remains important and is at the same time also a technological driver towards streaming offers. Accordingly, the demand for finished, especially local, content from broadcasters remains very high.

After the boom of streaming offers (OTT offers) in the peak phase of the corona pandemic, we see a slowdown in the growth of the market in 2021, but at the same time also the now broad acceptance of these offers by customers. OTT offers have established themselves and benefit on the one hand from an increased exploitation of cinematic content in the second exploitation window and on the other hand from their own content, the Originals. The Wild Bunch Group was able to optimally meet this demand with its extensive film library and with its production activities.

Against this background, the number of films of Wild Bunch sold to digital VOD platforms continued to increase in 2021. This included films that were produced exclusively for the streaming providers, that were released as "direct-to" as already described or that were originally intended for theatrical releases. In doing so, the Wild Bunch Group was able to draw on its established business relationships with the major streaming providers such as Netflix or Amazon and successfully continue the cooperation.

2.3.2. SEGMENT OTHER

The activities of the Wild Bunch Group in the business segment Other include the operation of the Company's own VOD platform FilmoTV, the sale of "On Board Entertainment" on aeroplanes and film screenings at film festivals. The last two business activities mentioned tend to play a subordinate role especially in the times of the Corona pandemic.

In France, FilmoTV pursued its increase in subscribers to its standalone offering. In 2021, FilmoTV launched one new distribution deal with French streaming platform Molotov and joined a new Cinema bouquet distributed by Telco SFR. It strengthened its distribution on Amazon, becoming Prime Video number 3 channel in France. Those new developments allowed to reach a stabilized level of SVOD revenues despite the stop of a bundle deal with a local distributor at the end of 2020. Additionally, FilmoTV launched a redesign of its existing TVOD/SVOD interfaces and branding that will help consolidating its activity in 2022.

2021 was more contrasted regarding TVOD activity, still related to the Covid effect, with a shortage of new content due to a lack of theatrical releases, which affected TVOD activities during all year.

2.3.3. SUPPLEMENTARY INFORMATION ON THE OPERATING BUSINESS

MOST IMPORTANT AWARDS AT FILM FESTIVALS

In 2021, after the cancellations from the previous year, numerous film festivals again took place locally at which the Wild Bunch Group was able to achieve great success with its sold or distributed films. At the 93rd Academy Awards, for example, the film THE FATHER won the prizes for Best Leading Actor with Anthony Hopkins and Best Adapted Screenplay with Florian Zeller. At the 74th Festival de Cannes, the Jury Prize went to the film COMPARTMENT N. 6 and the Prize of Originality to LAMB. Jodie Foster won the Golden Globe for Best Supporting Actress for her role in the film THE MAURITANIAN. At the Venice International Film Festival Mostra, the film L'EVENEMENT won the Golden Lion.

Wild Bunch sees the awards as confirmation that it has a good feeling for high-quality content.

FURTHER EXPANSION OF PRODUCTION AND CO-PRODUCTION ACTIVITIES

Also in 2021, the Wild Bunch Group's production and co-production activities, as described under 1.1. Group structure and business model were also severely affected by the Corona pandemic. In some cases, film and TV series shootings in the Wild Bunch core markets were stopped or ongoing projects were postponed. However, there were also new and, in particular, subsequent production activities due to sequels of successful series such as NUDES in Italy or WARTEN AUF'N BUS in Germany.

Nevertheless, the further expansion of production and co-production activities remains an important strategic decision for the future of the Wild Bunch Group.

Wild Bunch now has 8 films in development, co-production or production in France. In addition, Wild Bunch TV continues to strengthen the production of TV series in France. Wild Bunch TV now has a catalogue of approx. 30 series or documentaries for international distribution and is currently producing or developing 9 series.

The activities launched in Italy in 2019 under BIM Produzione have now resulted in the successful release of two series, NUDES and ERA ORA, in 2021. Due to the extraordinary success of NUDES, the series was also sold to Disney+. Currently, BIM Produzione has another 8 series and/or films in development.

Vértigo is also continuing its production activities in Spain in 2021 with two completed projects and four more projects in development.

In Germany, Wild Bunch Germany operates through the Senator Film Produktion label as part of its film and TV series production activities. In 2021, the Netflix original PREY and the second season of the hit series WARTEN AUF'N BUS were completed. In addition, the children's film DIE PFEFFERKÖRNER UND DER SCHATZ DER TIEFSEE, co-produced by Senator Film Produktion, was very successfully released in cinemas. Eight projects are currently in production, including the TV event production RIESENDING and the co-produced feature films STICH HEAD, DIE MUCKLAS and 15 JAHRE, which will be exploited starting in 2022. The start of filming of a further TV commissioned production and a cinema production is planned for autumn 2022. A further twelve projects are now in various stages of development and preparation.

With MIA WALLACE PRODUCTIONS, a new production label was founded in Germany in July 2021 with a particular focus on stories from a female perspective. One focus of the production will also be Young Adult Content, modern and edgy storytelling for a female as well as male audience. The label is intended to give both new and already established talents a home to jointly develop content in series format for streaming services and media libraries. Two projects are currently under development.

2.4. EARNINGS, ASSETS AND FINANCIAL POSITION OF THE GROUP

2.4.1. OVERALL ASSESSMENT OF THE REPORTING PERIOD

The year under review was again significantly marked by the effects of the Corona pandemic.

Cinemas were still closed for part of the year or limited in terms of occupancy. The Group continued its efforts to compensate for the decline in theatrical and physical video revenues through TV and SVOD sales. Those efforts are ultimately influenced by the size of the film inventory, competition, and global demand from these customers.

The 2021 financial year was comparable to the 2020 financial year, during which the Group's performance continued to suffer from the consequences of corona pandemic, which again delayed the implementation of the strategic changes planned two years ago.

As in 2020, the continuation of the corona pandemic required the Group to book unscheduled amortisation of intangible assets in the amount of € 3,268 thousand (previous year:

€ 3,520 thousand), which weighed heavily on the Group's net result.

As the Group’s business was less paralyzed by the corona pandemic in 2021 than in 2020, revenue increased by 25 % compared to the previous year (€ 66,617 thousand vs. € 53,174 thousand) and were thus above the revenue of the previous year. The forecast for the revenue was slightly below that of the previous year. Theatrical revenue remains very low (€ 5,602 thousand in 2021 vs. € 5,240 thousand in 2020) but other exploitation stages recorded a strong revenue increase over the period: + 7 % for international rights distribution revenue (€ 17,152 thousand vs. € 15,979 thousand), + 44 % for TV rights revenue (€ 16,560 thousand vs. € 11,499 thousand), + 21 % for home entertainment revenue (€ 20,831 thousand vs. € 17,270 thousand) and + 1,157% for production revenue (€ 3,444 thousand vs. € 274 thousand).

Distribution costs reach € 14,257 thousand compared to € 8,666 thousand in 2020. Amortization on film assets, including unscheduled depreciation, increased by 23 % to € 33,153 thousand.

Over the period, the Group succeeded in keeping low administrative costs (€ 17,963 thousand in 2021 vs. € 17,407 thousand in 2020).

In the reporting year, Wild Bunch recognised an impairment of € 1,417 thousand on the goodwill allocated to the CGU International Sales and Distribution and Film Production.

As a result, the operating result (EBIT) is € -8,631 thousand and is thus at the upper end of the range of approximately € -8,000 to -10,000 thousand forecast in the 2020 Annual Report. Excluding the impairment on goodwill, the operating result in the reporting year amounts to € -7,214 thousand.

As forecasted in last year’s annual report, the net debt increased significantly to € 92,517 thousand (see also 2.4.6. Liquidity development of the Wild Bunch Group).

The key earnings figures of the Wild Bunch Group developed as follows in the reporting year:

Key figures in T€	2021	2020
Revenue	66,671	53,174
Gross profit [1]	6,351	-250
Operating result (EBIT)	-8,631	-69,610
Net debt [2]	92,517	76,940

[1] Sales revenue plus other film-related income less cost of sales of services rendered to generate sales revenue

[2] Net debt corresponds to financial liabilities excluding lease liabilities according to IFRS 16 less cash and cash equivalents.

2.4.2 DEVELOPMENT OF SEGMENTS

2.4.2.1. SEGMENT INTERNATIONAL SALES AND DISTRIBUTION AND FILM PRODUCTION

In the 2021 financial year, revenue in this segment increase by 31 % to € 62,223 thousand (previous year: € 47,648 thousand), while other film-related revenues amounted to € 3,703 thousand (previous year: € 1,019 thousand).

The individual divisions contributed to revenue as follows:

Key figures in T€

	2021	2020	Change
World distribution	17,152	15,979	+1,172
Cinema rights	5,602	5,240	+405
Electronic Direct Sales/Home Entertainment/TV	33,117	26,155	+9,853
Film production	3,444	274	+3,170
Total	62,223	47,648	+17

The revenues were offset by production costs of € 61,153 thousand in the reporting year 2021 (previous year: € 50,550 thousand). The cost of sales includes distribution costs, amortisation of film rights and licensor transfers. The gross profit amounted to € 4,773 thousand after € -1,883 thousand in the comparable period.

2.4.2.2. SEGMENT OTHER

The segment Other with the VOD platform and other activities achieved a revenue of € 4,394 thousand (previous year: € 5,526 thousand) and other income of € 859 thousand (previous year: € 1,074 thousand) in 2021. A gross profit of € 1,578 thousand (previous year: € 1,632 thousand) was achieved.

2.4.3. EARNINGS SITUATION OF THE GROUP

The consolidated annual result of € -15,644 thousand was significantly above the value of the previous year (previous year: € -76,342 thousand) but still negative. The result attributable to the shareholders of the Group amounted to € -15,583 thousand (previous year: € -76,385 thousand).

In addition to the effects explained above and the development of revenue and cost of sales for the segments, the following changes should be highlighted for the 2021 reporting year:

Administrative expenses including other operating expenses (including account goodwill amortisation) amounted to € 19,852 thousand in the reporting year (previous year: € 74,064 thousand). Personnel expenses increased to € 11,746 thousand (previous year: € 10,205 thousand) since partial employment measures (short-time work) used throughout the Group were reduced in 2021.

Expenses from the discounting of obligations from operating leases (IFRS 16) amounted to € 70 thousand in the reporting year (previous year: € 78 thousand).

The financial result in the reporting year was € -7,708 thousand after € -5,723 thousand in the previous year.

The interest expenses amounting to € 8,173 thousand relate in particular to interest for the loans granted by the main shareholder of the Company and on the credit line used by Commerzbank AG.

2.4.4. ASSETS OF THE GROUP

The balance sheet total of the Group as of 31 December 2021 amounted to € 198,864 thousand (previous year: € 205,168 thousand). On the assets side, non-current assets decreased by € 11,426 thousand (31 December 2021: € 120,237 thousand; 31 December 2020: € 131,663 thousand) and current assets increased by € 5,122 thousand (31 December 2021: € 78,628 thousand; 31 December 2020: € 73,506 thousand).

The decrease in non-current assets is mainly due to the decrease of intangible assets (€ 10,521 thousand), the increase in current assets is mainly due to the increase in trade receivables (increase of € 10,595 thousand to € 34,351 thousand), partly offset by the decrease in cash and cash equivalents by € 2,287 thousand to € 26,591 thousand.

2.4.5. FINANCIAL POSITION OF THE GROUP

The Wild Bunch Group uses both equity and debt capital for group financing.

All debt positions are continuously monitored by Wild Bunch AG.

In total, the Wild Bunch Group has non-current and current financial liabilities of € 122,454 thousand as of 31 December 2021 (previous year: € 109,710 thousand).

The equity of the Wild Bunch Group as of 31 December 2021 amounts to € 16,101 thousand (previous year: € 30,650 thousand). This corresponds to an equity ratio of 8.1 % (31 December 2020: 14.9 %).

As of 31 December 2021, the utilisation of a loan granted by Commerzbank AG in Germany for a maximum amount of € 18 million, amounted to € 12.8 million. The amount available under this credit facility is limited to the sum of the fundable receivables from the borrowing companies.

The shareholder of Wild Bunch AG has granted the Company loans for a total nominal amount of € 85.3 million, of which € 8.8 million is used as collateral for the credit facility of Commerzbank AG.

Non-current liabilities increased to € 74,292 thousand as of 31 December 2021 (previous year: € 74,529 thousand). Information on the maturity and backing of the financial liabilities can be found in the notes. Deferred tax liabilities as of 31 December 2021 amounted to € 1,296 thousand (previous year: € 1,916 thousand).

Current liabilities as of 31 December 2021 amounted to € 108,471 thousand (previous year: € 99,989 thousand), mainly because of a combination of an increase in current financial debt by € 12,415 thousand to € 52,789 thousand, an increase in other current financial liabilities by € 5,265 thousand to € 19,770 thousand, and a decrease in contract liabilities by € 4,789 thousand to € 8,704 thousand.

There were no off-balance sheet financing instruments as of 31 December 2021 or the previous year's reporting date. The Wild Bunch Group uses operating leases mainly for offices and office equipment to an extent that continues to have no significant influence on the economic situation of the Group. In the balance sheet, capitalised rights of use of € 3.0 million are offset by current and non-current financial liabilities from lease liabilities of € 3.3 million from the application of IFRS 16.

2.4.6. LIQUIDITY OF THE GROUP

The Wild Bunch Group recorded a cash inflow from operating activities of € 13,122 thousand in the reporting period (previous year: cash inflow € 20,174 thousand). The decrease is mainly due to the changes in working capital, in particular the change in trade receivables.

Investing activities, mainly in film exploitation rights and other intangible assets, resulted in a cash outflow of € 21,627 thousand (previous year: € 13,225 thousand). Expenditure on investments in film rights increased significantly compared to the previous year.

The cash flow from financing activities was positive at € 10,164 thousand (previous year: € -3,361 thousand).

Liquidity is managed by Wild Bunch AG in close coordination with the operating companies based on liquidity planning and monitoring the development of net debt. In addition, the liquidity status within the Group is regularly reviewed. Securing the liquidity of the Group is the top priority. As far as possible, the operating companies should finance their business activities from current cash flow.

Net debt developed as follows:

Net debt in T€	**2021**	**2020**	**Change absolutely**	**Change %**
Cash and cash equivalents	26,591	28,878	2,287	-7.9
- non-current financial liabilities [1]	67,511	66,555	1,862	2.8
- current financial liabilities [1]	51,597	39,264	12,333	31.4
Net debt	**92,517**	**76,940**	**-16,482**	**21.4**

[1] Financial liabilities without lease liabilities according to IFRS 16

The current financial liabilities increased due to the taking out in November 2021 of a loan of € 10,000 thousand with the main shareholder Voltaire Finance B.V., Schiphol, The Netherlands.

2.4.7. INVESTMENTS OF THE GROUP

In the 2021 financial year, additions to intangible assets, which mainly include film rights and advance payments made for film rights, amounted to € 22,079 thousand (previous year:

€ 23,077 thousand). The additions to tangible assets were of minor importance in comparison.

2.5. EARNINGS, ASSETS AND FINANCIAL POSITION OF WILD BUNCH AG

The management report and the group management report of Wild Bunch AG for the 2021 financial year have been combined in accordance with § 315 (5) HGB in conjunction with § 298 (2) HGB.

As the parent company of the Wild Bunch Group, Wild Bunch AG is responsible for management functions such as corporate strategy and risk management for the Wild Bunch Group, investment management tasks, central financing and group accounting. The revenues from the settlement of the old operating business from the time before the merger with the Wild Bunch Group in 2015 are now of minor importance. In addition, Wild Bunch AG provides services for subsidiaries in Germany. In the reporting period, there was a consolidated tax group for income tax purposes for a total of six domestic companies.

The economic framework conditions of Wild Bunch AG essentially correspond to those of the Group described in chapter 2.1. The group-wide opportunity and risk management system also includes Wild Bunch AG. For further information, see the risk and opportunity report in chapter 4.

2.5.1. EARNINGS SITUATION OF WILD BUNCH AG

The 2021 annual result of Wild Bunch AG is significantly affected by a further unscheduled depreciation on the investment in the 100 % subsidiary Wild Bunch S.A., Paris, France, in the amount of € 30.5 million and by an unscheduled depreciation on the investment in the 50 % subsidiary Central Film Verleih GmbH, Berlin, in the amount of € 0.7 million. Without these unscheduled write-offs, the operating business development was repeatedly marked by the ongoing corona pandemic. It was expected that the income from profit transfers would remain the same and that the annual result would be significantly better, but still negative, compared to the 2020 financial year. The income from profit transfers (after netting with the expenses from loss transfers) increased slightly in the 2021 financial year despite the restrictions on business operations due to the corona pandemic. This is partly due to slightly better than expected sales and strict cost management.

The annual result in the reporting year was € -32,028 thousand (previous year: € -88,301 thousand). This includes unscheduled depreciation on the investment in Wild Bunch S.A. amounting to T€ 30,464 (previous year: T€ 88,932) and on the investment in Central Film Verleih GmbH, Berlin, amounting to T€ 677 (previous year: T€ 0). These were necessary because as a result of the corona pandemic, Wild Bunch S.A. as well as major subsidiaries of Wild Bunch S.A. and Central Film Verleih GmbH had to adjust their revenue expectations for the coming years downwards. In 2021, the following factors influenced the result compared to the previous year: Both personnel expenses and other operating expenses increased slightly as planned in the reporting year. Lower legal and consulting costs were offset by higher audit costs. Income from profit transfers (after netting with expenses from loss transfers) increased by € 51 thousand to € 1,422 thousand (previous year: € 1,371 thousand), as already explained above.

The revenues in 2021 amounted to € 427 thousand (previous year: € 386 thousand) and thus remained the same as expected. The revenues mainly consist of cost recharges in the amount of € 399 thousand (previous year: € 360 thousand). Revenues also include home video revenues of € 8 thousand (previous year: € 10 thousand) and revenues from the exploitation of other rights of € 20 thousand (previous year: € 16 thousand). These revenues from the so-called old business were offset by material costs totalling € 6 thousand (previous year: € 10 thousand).

Other operating income amounted to € 703 thousand (previous year: € 103 thousand) and included in particular income from the reversal of provisions that were essentially formed for the fine proceeding with BaFin, which have now been concluded.

Personnel expenses increased slightly by € 20 thousand to € 540 thousand (previous year: € 520 thousand). Excluding members of the Executive Board, Wild Bunch AG employed an average of 6 (previous year: 6) employees in the 2021 financial year.

The company's other operating expenses amounted to € 1,778 thousand in the 2021 financial year (previous year: € 1,729 thousand), an increase of € 49 thousand. The main cost block is consultancy costs and external services. These amounted to € 895 thousand in the reporting year after € 883 thousand in 2020. This also includes the costs for the audit of the annual and consolidated financial statements. In addition, other operating expenses include in particular rental expenses, costs for the Supervisory Board, travel expenses and other administrative costs. Almost all cost items could be kept stable or even reduced in 2021 compared to the previous year.

As the parent company, Wild Bunch AG is responsible for group financing and provides liquidity to the group companies. For this purpose, it takes out loans or refinances itself on the capital market. Other interest and similar income amounted to € 405 thousand in 2021 (previous year: € 1,904 thousand). The reason for the decrease is the contribution of the loan granted to Wild Bunch S.A. and other short-term receivables into the company's equity in December 2020. On the other hand, interest and similar expenses amounted to € 1,502 thousand (previous year: € 1,758 thousand).

2.5.2. ASSETS AND FINANCIAL POSITION OF WILD BUNCH AG

The balance sheet total of Wild Bunch AG as of 31 December 2021 amounts to € 79,548 thousand after € 96,187 thousand as of the previous year's reporting date. The sharp decline in the balance sheet total is mainly due to the unscheduled write-off of the investment in Wild Bunch S.A. and Central Film Verleih GmbH and from the changes in fixed and current assets described below.

Fixed assets as of 31 December 2021 amount to € 43,806 thousand (previous year: € 74,945 thousand), of which € 42,306 thousand (previous year: € 72,770 thousand) are attributable to shares in affiliated companies. Shares in associated companies remained unchanged at € 1,431 thousand (previous year: € 2,108 thousand and property, plant and equipment at € 66 thousand (previous year: € 67 thousand) as of 31 December 2021.

Current assets increased significantly to € 35,742 thousand (previous year: € 21,237 thousand) as at the balance sheet date 2021. The increase is mainly due to the rise in short-term receivables from Wild Bunch Germany GmbH, Munich and Wild Bunch S.A. Cash on hand and bank balances decreased to € 9,052 thousand (previous year: € 11,267 thousand).

On the liabilities side of the balance sheet, the equity of Wild Bunch AG amounted to € 24,235 thousand as of 31 December 2021 (previous year: € 56,262 thousand). The equity ratio was 30.5 % (previous year: 58.5 %). The company's equity decreased due to the unscheduled write-off of the investment in Wild Bunch S.A. and Central Film Verleih GmbH.

As of the balance sheet date 2021, liabilities increased by € 15,947 thousand to € 54,506 thousand (previous year: € 38,559 thousand). Liabilities to affiliated companies amount to € 41,383 thousand (previous year: € 26,235 thousand). This includes the loans from Voltaire Finance B.V. and Tennor Holding B.V. including accrued interest totalling € 25,827 thousand (previous year: T€ 15,151). In addition, liabilities to banks amounting to € 12,838 thousand (previous year: € 12,136 thousand) are shown in the balance sheet.

There were no off-balance sheet financing instruments as of 31 December 2021 or the previous year's reporting date. Wild Bunch AG uses operating leases for offices, storage space and office equipment.

Net debt (cash on hand and bank balances less liabilities to banks as well as loans from Voltaire Finance B.V. and Tennor Holding B.V.) amounted to € -29,613 thousand on 31 December 2021 after € -16,020 thousand on 31 December 2020 and has thus increased significantly compared to the previous year.

FORECAST REPORT

3. FORECAST REPORT

3.1. DEVELOPMENT OF THE MARKET ENVIRONMENT

Due to a high vaccination coverage of the population combined with the availability of numerous vaccines and medicines, the impact of the corona pandemic in 2022 seems to continue to level off. Although various virus mutations will occur from time to time, their consequences will remain manageable according to initial findings from public health authorities. Thus, in the core markets of the Wild Bunch Group, the withdrawal of measures such as contact bans and curfews or industry-related event bans, filming bans or cinema closures could be observed by the end of 2021 and the path to a complete opening of public life is likely in the opinion of the Executive Board. Cultural life will once again take a larger share in time spent by individuals.

This restart will still be impacted by SVOD/AVOD platforms: as theatres were closed, SVOD/AVOD platforms were able to attract new viewers and appetite for new content and catalogue. Growth in the Entertainment and Media Industry in the coming years will continue to be driven by the growth in OTT video, either because of a higher penetration of platforms or because of an increased competition amongst streamers and with linear media. In any case, this market boom will need content.

Unexpectedly, military warfare on the part of Russia began in Ukraine at the end of February 2022. Energy prices, which had already risen sharply in the course of 2021, continued to increase. Among other things, Western nations reacted with tighter economic sanctions and increased spending on the arms industry in order to persuade Russia to cease its encroachment. Further price increases or persistently high prices for energy, grain or fertiliser must be expected.

In its World Economic Outlook of April 2022, the International Monetary Fund (IMF) significantly reduced its growth forecasts for the next few years, especially against this background. According to the IMF, limited fiscal policy room for manoeuvre of the respective governments due to increased health expenditure in the Corona pandemic as well as a more restrictive monetary policy to combat the high and continuing inflation will also lead to a setback in the recovery of the global economy that has begun.

Against this background, there will be perceptible changes in the lifestyles of people worldwide. The impact of these events on private spending, especially for cultural purposes, in the future are not yet foreseeable, but the Executive Board is of the opinion that the impacts on Wild Bunch Group's activities will be rather limited.

Overall, there are different effects on the individual core segments of the Wild Bunch Group.

The stronger demand for content streaming services in the Corona pandemic cannot at that stage fully offset for the loss of the cinema exploitation stage for the Entertainment & Media industry. Possible catch-up effects and thus an economic revival by lifting the pandemic restrictions will only partially and successive support the Entertainment & Media industry in 2022, especially in the cinema and production segment. In addition, the closure of cinemas has created a persistent large stock of films which leads to a strong competition for screens after cinemas reopened. Here, the task of the Wild Bunch Group is, on the one hand, to meet the tastes of cinemagoers and, on the other hand, to find the optimal release date. However, the Executive Board is confident in Wild Bunch Group's genre content uniqueness to be able to manage this content strong competition period.

For the industry it can be thereby stated that the way films are distributed and marketed has changed for good. While the cinema remains an unique place for collective consumption, electronic distribution, especially SVOD and premium VOD, will become very important in the film exploitation chain. This is even more evident as competition in this segment not only in the distribution of its own film library, but also as an alternative sales channel for new films has increased dramatically.

For distributors like Wild Bunch, this means that they need to prove the flexibility in their marketing models and thus also in the media chronology (sequence of film release windows) in order to be able to exist successfully on the market.

With an average annual growth of 5.0 % for the period 2020 to 2025, PwC expects a resumption of the historical growth trend of the global entertainment and media industry after the contraction in 2020 due to the Corona pandemic, according to its industry report "PwC Global Entertainment & Media Outlook 2021 - 2025". Wild Bunch nevertheless remains further cautious about the development of the sector, especially in Western Europe.

3.2. ORIENTATION OF THE GROUP IN THE FINANCIAL YEAR 2022 AND EXPECTED DEVELOPMENT

If the control of the Corona pandemic and the easing of measures in the fight against it is confirmed, Wild Bunch Group intends to resume its growth in the coming months and years. The aim is to assert itself as a leading independent pan-European producer and publisher of worldwide and local independent content with global commercialisation opportunities and an extensive and high-quality film library in the global entertainment and media market. Having set the appropriate course in recent years, Wild Bunch Group is able to further implement its corporate strategy: more presence in TV programming, increased focus on production as a key source of cinematic content for its distribution platform, increased commercial presence through its digital distribution offerings and renewed partnerships with SVOD and AVOD platforms.

Additionally, the Group plans to develop its production activities in the USA and in the UK through strategic partnerships or acquisitions.

Wild Bunch continues to focus on the best possible exploitation of its extensive film library, supported by increased demand from digital programme providers and TV broadcasters in particular.

THEATRICAL DISTRIBUTION

Developments in theatrical distribution remain uncertain for 2022 and will depend on the evolution of the sanitary crisis. Given the measures taken in 2021, the Group hopes that cinemas will remain open and accessible without restriction in 2022.

Given the oversupply of new films, the evolution of the theatrical distribution business will strongly depend on the choice of the release date and on the marketing approach.

The Company expects to release approximately 16 films in France, 14 films in Italy, 17 films in Spain and 17 films in Germany.

Wild Bunch will combine its theatrical release strategy with alternatives, such as direct sales to electronic distribution platforms or TV channels.

INTERNATIONAL SALES AND WILD BUNCH TV

The Corona pandemic meant the cancellation or postponement of important markets and festivals in 2020 and in 2021, such as the Berlinale or the Festival and Marché du Film de Cannes. Digital markets were organised during that period and enable those markets to remain key events for the sale and acquisition of films. In 2022, depending on the territories, both physical and digital markets will coexist.

Over the past months, the Group has adapted to this change in the international sales market. Nevertheless, the current uncertainty regarding the global economic stability, caused in particular by the Ukraine war, is also leading to cautious acquisition behaviour of our core customers, especially local distributors.

It is difficult to make a forecast of the Group's international distribution activities for 2022. However, it can be said that every effort will be made to sell the films in our portfolio through various channels and to collect the receivables as quickly as possible.

ELECTRONIC „DIRECT TO“ SALES, HOME ENTERTAINMENT AND TV SALES

Wild Bunch's digital distribution and home entertainment activities follow the market trends, on the one hand the decline in physical video releases and on the other hand the fast-growing electronic distribution activities, especially in SVOD. Wild Bunch is actively adapting to the new challenges of the entertainment and media market.

To optimise revenues from electronic distribution, Wild Bunch will continue to use "direct to" releases in 2022. Some films will be released directly on TV or on VOD platforms by the Group in France, Germany, Italy, and Spain in the 2022 financial year.

As films and series continue to be important components of the programming strategy of traditional TV channels, TV sales activity should continue to develop positively across the Group, despite a low number of new films due to cinema closures and despite the reduction in advertising activity on Free TV and the problems faced by Pay TV in many territories.

The Wild Bunch Group has been particularly active in these segments and revenues from these activities are expected to remain at a high level.

ACQUISITION AND PRODUCTION

Due to the Corona pandamic, which has limited production and thus the supply of films and series, but also due to the financial constraints that weighted on the Wild Bunch Group in these difficult times, the number of acquired programs for a release in 2022 financial year has remained below the Company's target.

However, the Group intends to pursue a very dynamic acquisition and development strategy in the coming years, not only in its historic core markets, but also in the US and the UK.

Wild Bunch would thus be positioned as a provider of international quality content.

FILMOTV

After a rebranding campaign conducted in January 2022, FilmoTV turned into Filmo.

Filmo purse the growth of its SVOD base with new agreements signed and implemented in the second part of 2021, that will contribute to the expansion of third-party distribution in 2022, both with standalone distribution and bundle models. Additionally, marketing activities, new commercial offerings and new strategic partnerships to be signed should impact positively SVOD OTT activity during the year.

Since the start of the Corona pandemic in France, the shortage of film supply in 2021 due to a lack of first releases affected the VOD segment. Hopefully, as the situation should get back to normal in 2022 and with the launch of EST activity in ISP box SFR and Free, the business development in the VOD segment should prove better in 2022.

3.3. OVERALL STATEMENT OF THE EXECUTIVE BOARD ON THE DEVELOPMENT OF THE GROUP

The continuing impact of the Corona pandemic on the film and entertainment market and the structural changes it is forcing, as well as the geopolitical events at the beginning of 2022, make it extremely difficult to issue a forecast.

This was also demonstrated by the fact that the assumptions the Group had made regarding the further course of the Corona pandemic proved to be too optimistic. It is still necessary to be extremely cautious in all forecasts to be made.

The Executive Board currently assumes that the situation of cinemas and international sales markets will improve only slightly by the end of the 2022 financial year.

The Executive Board is optimistic about the expansion of production activities in the individual core markets, in the USA and in the UK to create new cinematic content for distribution in the coming years, made possible by our experimented new management team.

In summary, the issuing of a forecast at this point is nevertheless very uncertain. We expect a revenue for the 2022 financial year to be significantly above that of 2021. The operating result EBIT is expected to be in a range of approximately

€ -14,000 thousand to -16,000 thousand, impacted by the significant costs to bear in 2022 in order to deploy the UK and USA development strategy. Consequently, it is also assumed that net debt will be above the level of the previous year.

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

The result of Wild Bunch AG as a holding company depends on the development of the results and dividend distributions of the operative affiliated companies. The Executive Board assumes that income from profit transfers will increase slightly in the 2022 financial year. As in the previous year, dividend distributions to Wild Bunch AG are not expected.

Overall, the Executive Board expects a significantly better annual result for Wild Bunch AG in the 2022 financial year compared to 2021.

REPORT ON OPPORTUNITIES AND RISKS

4. REPORT ON OPPORTUNITY AND RISKS

4.1. GOALS OF OPPORTUNITY AND RISK MANAGEMENT

With its global business activities, the Wild Bunch Group is exposed to a variety of external and internal influences and the associated risks and opportunities. Risks and opportunities are therefore part of entrepreneurial activity. These can have both positive and negative effects on the Group's asset, financial and earnings situation.

We consider risks to be strategic and operational events and measures that have a significant influence on the existence and economic situation of the Company and can thus jeopardise the achievement of the Company's goals.

We define opportunities as possible successes that go beyond the defined goals and can thus benefit our business development.

In this sense, we see our opportunity and risk management as an instrument for achieving corporate goals, a systematic process that encompasses the entire Group to identify, classify and control opportunities and risks at an early stage.

The main risks for the Wild Bunch Group are presented under 4.4. and the main opportunities under 4.5.

4.2. RISK MANAGEMENT SYSTEM

The risk management system of the Wild Bunch Group essentially includes detailed risk recording and risk monitoring in the acquisition and exploitation of film rights. Extensive analyses of the exploitability and profitability of film rights across the entire exploitation chain, detailed estimates of sales revenues and direct costs at the individual stages of the exploitation chain as well as target/actual comparisons are used for risk monitoring. Liquidity management and ensuring compliance with financial targets are monitored at senior management level and by the Executive Board, which reports regularly to the Supervisory Board. In addition, the Wild Bunch Group monitors further risks at the level of the individual subsidiaries through ongoing communication between local management and the Executive Board. Liquidity and cash flow forecasts are regularly prepared by the individual Group cash pools and consolidated at Group level using customised Excel-based tools.

Risk management is thus geared towards identifying and assessing all significant and potentially existential risks as early as possible to be able to take appropriate countermeasures. The standardised and group-wide risk management system applies to all areas of the Group.

The overall responsibility for effective risk management lies with the Executive Board of Wild Bunch AG, while the operational management of the individual risks is primarily the responsibility of the respective subsidiaries. This included the identification and assessment of company-specific risks, the proposal of suitable measures and the documentation and reporting.

In addition, the management of our subsidiaries is obliged to participate in regular and standardised risk surveys. Sudden material changes in the risk situation must be reported to Risk Management without delay.

Risk Management provides comprehensive systems, manages the quarterly risk survey, and ensures reporting to the Executive Board. It checks the plausibility of the reported risks for completeness and aggregates them at Group level.

The auditor reviews the early risk detection system pursuant to § 91 (2) AktG for its suitability to detect developments that could jeopardise the continued existence of Wild Bunch AG at an early stage and reports the result to the Executive Board and the Audit Committee of the Supervisory Board of Wild Bunch AG.

4.3. INTERNAL CONTROL SYSTEM

The accounting-related internal control and risk management system is designed to ensure that all events and transactions are fully recorded, correctly recognised, and measured in financial accounting and presented in the financial reporting of Wild Bunch AG and its subsidiaries in accordance with legal and contractual requirements and internal guidelines. Group-wide compliance with legal and internal company regulations is a prerequisite for this. It should be noted, however, that despite adequate and functional systems, complete security in the identification and management of risks cannot be guaranteed.

The accounting processes within the Wild Bunch Group are centralised at the main locations in Paris and Berlin. Certain central functions for the subsidiaries of Wild Bunch S.A., Paris, are performed in Paris. In Berlin, the accounting for the German subsidiaries is centralised and the consolidation of the consolidated financial statements is carried out.

Within the Group, SAGE is used as the ERP system in Paris and SAP R/3 in Berlin. Furthermore, the Wild Bunch Group uses the Opera system for the consolidation of the individual group companies. In addition, data from other IT systems are monitored with regard to their correct transfer and processing. The IT systems used in the context of financial reporting are secured against unauthorised access. The Wild Bunch Group has authorisation concepts that are regularly updated and monitored.

The accounting department regularly prepares individual financial statements at local level for all local companies of the Wild Bunch Group using local accounting standards and reports consolidated IFRS financial information to the Board of Directors every six months. For consolidation purposes, reporting packages are prepared in the local countries for the respective companies, which form the basis for the consolidated financial statements. The main elements of accounting (including film assets as well as provisions) are the basis for postings in spreadsheets.

Wild Bunch AG has a system in place that covers compliance issues, authorisation concepts for orders and contract conclusions, signing authorisations and internal accounting guidelines.

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

4.4. RISK REPORT

Wild Bunch follows the following basic methodology for risk determination throughout the Group.

Risks are assessed on the basis of the probability of occurrence and the possible financial risk of damage. The arithmetic mean of the sum of the probability of occurrence and the risk of damage then results in a relevance of the overall risk.

The following classes of probability of occurrence were considered in the risk assessment:

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

Furthermore, the following damage classes were delineated in the risk assessment:

Class	Impact	
1	€ 0.01m. - € 0.5m.	Relevant
2	> € 0.5m.	Significant

The process of continuous risk identification and classification is firmly anchored in the Group structure and has direct contacts.

4.4.1. GLOBAL RISKS

PANDEMICS / CLIMATE CHANGE / ECONOMIC CONDITIONS

The Wild Bunch Group is exposed to the risk of epidemics and pandemics, such as the current Corona virus, and their corresponding effects on the cinema and TV market. Drastic regulatory measures can be imposed in the private, public and business sectors to combat these risks. Specifically, in the event of cinema closures or cancellations of production activities, complete exploitation stages of Wild Bunch in the theatrical distribution, world sales and production segments may be lost for a corresponding period of time. Changes in the strategies of market participants in the exploitation of content could also result in impairments of the reported non-current assets or the failure to achieve established target figures or the postponement of corporate goals. The deviation from the key figures on the financial situation ("financial covenants") recorded in the financing agreements of the Wild Bunch Group, which may also be caused by this, could increase the possibility of a termination during the term of a credit line.

The topics of environmental awareness and sustainability, particularly in production, are experiencing steadily increasing importance. Mandatory environmentally friendly filming or compliance with stricter environmental protection criteria in film funding applications could thus lead to lower than planned margins.

Especially in times of uncertainty due to political conflicts such as the current conflict in Ukraine, for example or economic decline, especially private consumption for cultural needs will decrease and thus also lead to cautious acquisition behaviour on the part of our core customers, especially local distributors. In addition, revenues, especially in the cinema sector, can also be negatively influenced by factors such as weather conditions or alternative major events.

4.4.2. MARKET AND INDUSTRY RISKS

COMPETITION / CLIENTS / TRENDS / ACCESS TO LICENCES / FILM FUNDING

Market changes and strong competition in the value chain of the Wild Bunch Group, e. g. in the exploitation stages, in production and in rights acquisition or falling audience figures in the cinema and home entertainment area or an oversupply of cinematic content can lead to unfavourable price developments for productions or licensed products and thus to falling margins.

In direct sales, the Wild Bunch Group is dependent on the major German, French, Italian and Spanish cinemas, TV stations, IPTV providers, VOD/SVOD platforms and DVD retailers. The achievable margins from the sale of sublicences may be lower than planned due to the strong position or decline in demand of these customers.

Customer tastes and usage behaviour are subject to dynamic changes, which additionally differ regionally due to the different cultural environments. Digitalisation in the entertainment and media market in particular is continuously leading to major market changes, including an increase in additional offers and forms of distribution, which can lead to a lasting change in media use.

Access to and the acquisition of rights to literary originals, exploitation rights and screenplays as well as the conclusion of contracts with successful directors, actors and licensors are the decisive factors for the (co-)production and acquisition of films and TV series as well as for the economic success of the Wild Bunch Group. However, there can be no guarantee that this access will continue to be available to the Wild Bunch Group in the future.

Changes in the funding guidelines for film projects or the (partial) non-granting of planned funding may result in Wild Bunch having funding gaps for its in-house and co-productions, which must then be covered by other funding or result in a change in medium-term production planning. If certain disbursement or exploitation requirements are not met, Wild Bunch may be required to repay the corresponding funding.

4.4.3 BUSINESS RISKS

COMMISSIONED PRODUCTION / (CO-)-PRODUCTION / FILM RIGHTS ACQUISITION & EXPLOITATION / QUALITY

Production and co-production fundamentally require a contribution to development costs that can be lost if the project in question is abandoned. Delays in reaching significant milestones or in completion can have a corresponding impact on the economic success of the production.

In the case of a commissioned production, the Wild Bunch Group is responsible for a production execution in accordance with the contract and usually receives a fixed price. It therefore bears the risk of any budget overruns. In the case of a licensed production, it bears the entire financing risk as producer until the delivery of the completed product. In the case of contractual delivery, the production costs and, if applicable, the profit are usually covered by the licence revenues. However, if the budget is not covered or not fully covered by licence sales, it thus also bears the risk of loss.

In film acquisition, which is characterised by high competition, there is both a quantitative risk (related to the amount of the licence payment to be paid) and a qualitative risk (attractiveness of the film in exploitation). In exploitation, Wild Bunch is also confronted with additional contractual risks. Particularly in the case of own productions, the transfer of several copyrights and ancillary copyrights to the respective buyers must be carried out correctly under contractual law in order to counteract any infringement of property rights.

It cannot be ruled out that production errors could occur in the acquired or self-produced cinematic content, which could lead to high costs of rectification or to discounts in the sales price in the different exploitation stages. If, in addition, customers in the various exploitation stages perceive possible production defects in the cinematic content of the Wild Bunch Group as a permanent quality problem, this could have a negative impact on future viewer behaviour with regard to the cinematic content of the Wild Bunch Group.

4.4.4. FINANCIAL RISKS

EXCHANGE RATE RISKS / PRICE & VALUATION RISKS / LIQUIDITY RISKS & FINANCING RISKS / CASH FLOW FLUCTUATIONS / TAXES

The Wild Bunch Group is exposed to exchange rate fluctuations between the euro, the reporting currency, and other currencies, especially the US dollar, as the majority of film rights acquired on the international film market are paid for in US dollars. The proceeds of film exploitation, on the other hand, are predominantly received in euros. Film productions abroad are also subject to exchange rate risk. Wild Bunch enters into forward exchange contracts to hedge exchange rate fluctuations. The book value of the liabilities from these transactions amounts to € 13 thousand as of 31 December 2021 (previous year: € 47 thousand). Hedge accounting is not applied for reasons of materiality.

Market changes in the value chains and the exploitation stages for film content can lead to unfavourable price developments for productions or licensed products and thus have a negative impact on the earnings situation of the Wild Bunch Group. A manifestation of such developments could also jeopardise the value of existing exploitation rights and require a revaluation. The company holds significant assets, in particular film assets, as of the reporting date. Impairment tests are carried out annually for the company's film assets and also during the year if there are indications of impairment. Where no market value is available, the valuation approach is calculated on the basis of management estimates and assumptions, for example, from planned admissions in the cinema exploitation stage to download figures in OTT exploitation or sales figures in the home video exploitation stage. These are based on the currently available knowledge. The actual development, which is often beyond the company's sphere of influence, can deviate from the assumptions made and lead to the need for unscheduled depreciation of company assets in the future and an adjustment of the book values.

The Wild Bunch Group requires liquid funds to cover its financial liabilities. These liquid funds are generated partly through current business activities and partly through financing. The liquidity risk of the Wild Bunch Group results from a loss of access to new liquid funds. This can be the case if master loan agreements are terminated or not extended by banks or investors. The Wild Bunch Group is financed primarily through a credit facility with Commerzbank AG and shareholder loans. The credit facility concluded with Commerzbank AG in April 2020 amounts to up to € 18.0 million with an addendum as of October 2021 and has a term until October 2022. Discussions with Commerzbank regarding an extension of the credit facility beyond this are in preparation. The current agreement with Commerzbank AG provides, among other things, for the bank to make funds available in exchange for the assignment of receivables. Furthermore, liquid funds of Wild Bunch AG of € 8.8 million serve as collateral for the loan with Commerzbank AG. In May 2019, the majority shareholder of Wild Bunch AG, Voltaire Finance B.V., granted a shareholder loan in the amount of € 40.0 million as part of the refinancing of the bridge loans it had granted, of which Wild Bunch AG had drawn € 5.0 million and its wholly owned subsidiary Wild Bunch S.A. had drawn € 22.0 million. With the signing of this loan agreement, a further € 13.0 million was paid out to Wild Bunch S.A. The loan agreement has a term until June 2023. The interest rate is 9.5 %. The loan has a final maturity. The agreed financial covenants were suspended until 1 January 2023 with the agreement of June 2020. Furthermore, a loan agreement for € 8.8 million has been in place between Voltaire Finance B.V. and Wild Bunch AG in connection with the credit facility with Commerzbank AG since February 2020. The interest rate is 1.0 %. Financial covenants have not been agreed. In addition, a loan agreement for € 10.0 million was concluded between Voltaire Finance B.V. and Wild Bunch AG in September 2021 in connection with the financing of the operating business. The interest rate is 5.0 %. Financial covenants have not been agreed.

On 25 April 2022, Wild Bunch AG and Wild Bunch S.A. agreed with Voltaire Finance B.V. and Tennor Holding B.V. on the renewed deferral of any payment obligations and any payments of accrued and outstanding as well as further accruing interest under the aforementioned loan agreements until 31 December 2023 and suspended the financial covenants agreed therein until 1 January 2024.

In addition, Wild Bunch AG is in advanced negotiations with Voltaire Finance B.V. regarding the extension of further shareholder loans and a postponement of maturities of existing liabilities for the sustainable refinancing of the Wild Bunch Group. To this end, the parties have finalised an agreement under which Voltaire Finance B.V. will provide Wild Bunch AG and Wild Bunch S.A., as borrowers, with a total credit facility of € 100 million for a period of 3 years from the date of full signature of the agreement, subject to compliance with certain business planning requirements, for the financing of working capital requirements, the acquisition or development of new cinematic content or for the financing of general corporate purposes. In parallel, Wild Bunch AG and Voltaire Finance B.V. have finalised the first tranche agreement under the credit facility for a loan of € 17 million with a term of three years and an interest rate of 5 % p. a. Wild Bunch AG expects an inflow of funds by the middle of the second quarter of 2022. If the planned financing measures cannot be carried out on time or successfully, this would impair the further development of the company and the group and could jeopardise their existence.

Companies in the film and TV industry may experience fluctuations in sales and operating results during the year and also from year to year. Causes for these fluctuations can be, for example, the scope and timing of the completion of new film and TV series productions, the scope and timing of sales of film, TV and TV series rights in the respective exploitation stages or external market influences on product demand. These causes can also have an adverse effect on the balance sheet recognition in the film assets.

Wild Bunch AG is of the opinion that all tax returns of the Group and the individual Group companies were correct and complete. A tax audit for the material German subsidiaries for the financial years 2016 to 2018 has not yet been completed. Taxes assessed in tax audits may exceed the taxes already paid and thus result in substantial back tax payments including interest. Deviating tax assessments can thus have a negative impact on the earnings situation.

4.4.5. LEGAL RISKS

REGULATION / INTELLECTUAL PROPERTY (OWN/OTHER) / DATA PROTECTION / LEGAL PROCEEDINGS

As a pan-European company, the business activities of the Wild Bunch Group are subject to the relevant regulations and legal framework conditions both in the countries in which the Group companies are based and at European level, in particular with regard to copyright, intellectual property law and data protection.

In Germany, for example, an amendment to copyright contract law came into force in 2017, according to which authors have a higher share in the economic success of film productions if the film is more successful than average. To substantiate possible claims, authors have a right to information against the film distributor about the revenues generated from the film during the entire exploitation period. This right to information is now regularly asserted by parties involved in a film and can lead to higher administrative costs as well as legal disputes. On the other hand, rights holders such as Wild Bunch will be massively strengthened in their legal position by the EU copyright amendment passed in April 2019, especially with regard to automated protection against illegal access to protected content ("upload filter").

The Wild Bunch Group uses technologies based, among other things, on the use of intellectual property. Thus, Wild Bunch Group may have to defend itself against claims of alleged infringement of intellectual property rights of third parties or adequately protect its own intellectual property rights. Potential litigation or other proceedings could result. In addition, in the development and production of own cinematic content, personal rights of third parties may be affected. In the event of an infringement of these rights, third parties could claim injunctive relief and/or damages. This may significantly delay or even completely prevent the release of a film. Thus, the Wild Bunch Group may be forced to acquire additional and cost-intensive licences in the future or to pay additional licence fees for technologies or content used.

Digitalisation in the entertainment & media market also enables the creation of illegal copies of films. The lack of sufficient protection against copyright infringement entails the risk of lost sales.

Wild Bunch Group companies collect, store and use data in the ordinary course of business, which is protected by data protection laws such as the German Federal Data Protection Act, the European Data Protection Regulation ("GDPR") and similar regulations in other relevant EU member states. Violations of data protection law may result in significant fines. It is also possible not to prevent cases of data loss or misuse as a result of human error, technical infrastructure failures or other factors beyond the control of Wild Bunch Group. We may also be exposed to loss of consumer data through cyber-attacks on our data systems or criminal activity by Wild Bunch Group employees or service providers.

As a company operating across borders, the Wild Bunch Group is exposed to a number of legal risks, in particular risks arising from litigation. With regard to individual areas of law, these risks primarily relate to copyright law, company law, securities trading and stock corporation law as well as regulations from the EU-MAR (Market Abuse Regulation) and labour law. The Executive Board includes among the legal disputes not only proceedings pending in court, but also legal disputes that are still being conducted between the parties or with supervisory authorities. Currently, 2 proceedings are pending before courts and authorities throughout the Group. Based on legal assessments, provisions have been made in individual cases to cover the risks.

4.4.6. IT (INFORMATION TECHNOLOGY) RISKS

DISRUPTION OF IT SYSTEMS / DATA LOSS

Wild Bunch relies on information technology systems and networks to support its international distribution, film & TV series production, services and business processes as well as internal and external communications. The sustained and secure operation of its IT systems, including computer hardware, software, platforms and networks, is critical to the successful conduct of the Wild Bunch Group's business activities and its reputation.

Similarly, the risk of data loss can affect the work efficiency and results of Wild Bunch Group's employees in an increasingly digital and remote working environment.

4.5. OPPORTUNITIES REPORT

4.5.1. OPPORTUNITY MANAGEMENT

Analogous to risk management, the Wild Bunch Group uses opportunity management to pursue the goal of implementing strategic and operational goals quickly and efficiently through concrete activities. Opportunities can arise in all business areas. Their identification and targeted use are a management task that flows into everyday decisions. An essential component in the structured handling is comprehensive market research.

The Executive Board defines an opportunity as a possible future development or event that may lead to a positive forecast or target deviation. This means that events that have already been included in the budget or medium-term planning do not constitute an opportunity according to this definition and are not dealt with in this report.

4.5.2. OPPORTUNITIES

MARKET AND INDUSTRY OPPORTUNITIES

Media consumption is constantly changing due to increasing digitalisation. The Wild Bunch Group is constantly developing its business model accordingly and is working on the introduction of new direct distribution channels, such as AVOD. Due to the increasing pressure of digitalisation, e-cinema or premium VOD have become a new distribution channel for films.

In addition to the innovative streaming offerings, traditional television services are also experiencing a renewed strong appeal from viewers, users and advertisers. Television has reinvented itself, moving from linear to non-linear programming. In the process, it is attracting and serving a younger, more flexible and independent audience that is constantly demanding new content. Online television and streaming offerings, with their myriad possibilities for individualised advertising, combine the capacities of intensified advertising with the audience's need for a broader range of quality products. The Executive Board believes that significant opportunities could thus arise from the creation of Wild Bunch TV or BIM Produzione and the strategic focus on expanding production capacity in the wider core markets.

OPERATING OPPORTUNITIES

In view of this group structure, the Wild Bunch Group, which has become a renowned pan-European film and TV company, owns a large number of exploitation rights (primarily film rights and material), some of which extend well beyond the planning period. These form the basis for generating revenues far beyond the planning period.

Country-specific demand and customer wishes as well as regulatory requirements have massively increased the demand for local content, especially from TV broadcasters and electronic distribution platforms. In order to benefit from this development and to secure a steady flow of new cinematic content for its distribution channels beyond its acquisition activities, the Wild Bunch Group has expanded its (co-)production activities.

Significant synergies as well as an intensified or accelerated internationalisation of business activities could result from acquisitions and mergers that are not yet included in the current corporate planning, for example. In addition, the scope and use of the existing film library could be strengthened through new distribution channels as a result of M&A transactions. The experience and reputation of the Group's management enable the company to play an active role in bringing together film distributors and producers.

4.6. OVERALL ASSESSMENT OF RISKS AND OPPORTUNITIES

Based on the available information and the estimates, in particular the probability of occurrence, the maximum amount of damage and the effect of the countermeasures taken, the Executive Board of Wild Bunch AG is convinced that, apart from the risks threatening the existence of the Company as described in section 4.4.4. Financial risks, there are currently no known risks that could endanger the existence of the Group. This applies to the risks individually as well as in their entirety, insofar as the effect of the entirety can be meaningfully simulated or otherwise estimated.

The Executive Board is convinced that the measures taken keep the risk at an economically acceptable level and considers the Group's risk-bearing capacity to be sufficient.

The Executive Board sees the greatest opportunities in the further expansion and integration of the Group into an independent, pan-European production and distribution company for cinematic content, the resulting synergies, a reduction in running costs, growth potential and the stabilisation of earnings.

In addition, prospects arise from cooperation with screenwriters, directors and producers at home and abroad as well as access to attractive material and licences, increased cooperation with talent and an expansion of the business model through internationalisation of production and distribution activities as well as possible further strategic acquisitions.

CORPORATE GOVERNANCE

5. DISCLOSURES REQUIRED BY TAKEOVER LAW IN ACCORDANCE WITH §315A (1) HGB

Pursuant to §315a (1) of the German Commercial Code (HGB), public limited companies that make use of an organised market within the meaning of §2 (7) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz) through voting shares issued by them must make the following disclosures in the management report:

COMPOSITION OF THE SUBSCRIBED CAPITAL:

The share capital of Wild Bunch AG amounts to € 23,942,755 and is divided into 23,942,755 bearer shares. There are no different classes of shares. For information on the conditional and authorised capital, please refer to the notes to the annual financial statements of Wild Bunch AG as of 31 December 2021.

RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES:

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

DIRECT OR INDIRECT SHAREHOLDINGS IN THE CAPITAL EXCEEDING TEN PERCENT OF THE VOTING RIGHTS:

The shareholdings in Wild Bunch AG that exceed 10 % of the voting rights are shown in the notes to the annual financial statements of Wild Bunch AG as of 31 December 2021, which are available on the website www.wildbunch.eu/investors/publications/. The current voting rights notifications pursuant to the German Securities Trading Act are published at www.wildbunch.eu/investors/the-share/.

THE HOLDERS OF SHARES WITH SPECIAL RIGHTS CONFERRING POWERS OF CONTROL:

Shares with special rights conferring powers of control do not exist.

THE NATURE OF VOTING CONTROL WHERE EMPLOYEES HAVE AN INTEREST IN THE CAPITAL AND DO NOT EXERCISE THEIR CONTROL RIGHTS DIRECTLY:

It is not known to the Executive Board that employees have an interest in the capital and do not exercise their control rights directly.

THE STATUTORY PROVISIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE EXECUTIVE BOARD AND ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION:

The appointment and dismissal of the members of the Executive Board is based on §§84, 85 AktG. Amendments to the Articles of Association are based on §§179, 133 AktG, whereby the Supervisory Board is also authorised to adopt amendments to the Articles of Association that only affect the wording.

THE POWERS OF THE EXECUTIVE BOARD, IN PARTICULAR WITH REGARD TO THE POSSIBILITY OF ISSUING OR BUYING BACK SHARES:

The Executive Board of Wild Bunch AG was authorised by various resolutions of the Annual General Meeting to acquire treasury shares in a volume of up to a total of 10 % of the share capital existing at the time of the resolution, most recently for a period up to 29 June 2020 by resolution of the Annual General Meeting 2015. The last acquisition of treasury shares took place at various times in the financial year 2000. As of the balance sheet date, Wild Bunch AG reported 60 no-par value shares as treasury shares, to which a nominal amount of € 60 or approximately 0.0003 % of the share capital was attributable as of 31 December 2020. By resolution of the 2018 Annual General Meeting, the previously existing authorised capital 2015/I was cancelled insofar as it had not been used by the Company, and new authorised capital was resolved, whereby the Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital by up to a total of € 11,971,377.00 by 25 September 2023 (Authorised Capital 2018/I).

SIGNIFICANT AGREEMENTS OF THE COMPANY THAT ARE CONDITIONAL UPON A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID:

Such contractual regulations do not exist for the members of the Executive Board.

COMPENSATION AGREEMENTS OF THE COMPANY ENTERED INTO WITH THE MEMBERS OF THE EXECUTIVE BOARD OR EMPLOYEES IN THE EVENT OF A TAKEOVER BID:

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

6. DECLARATION ON CORPORATE GOVERNANCE IN ACCORDANCE WITH §289F/§ 315D HGB

The reporting in accordance with §289f / § 315d HGB is available on the Internet at http://wildbunch.eu/de/investor-relations/corporate-governance/.

7. DEPENDENCY REPORT

Pursuant to §312 of the German Stock Corporation Act (AktG), the Executive Board has prepared a report on relations with affiliated companies, which contains the following concluding statement:

"We declare that the Company has received adequate consideration for each legal transaction with controlling and affiliated companies according to the circumstances known to us at the time the legal transactions were carried out and that the Company has not been disadvantaged by corresponding measures taken or omitted.

During the reporting period, no legal transactions or measures were undertaken or omitted at the instigation of or in the interest of the controlling company or its affiliated companies."

Berlin, as of 29 April 2022

Wild Bunch AG

Ron Meyer

Chairman of the Executive Board (CEO)

Sophie Jordan

(Co-CEO)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Profit and Loss Account (IFRS)

in T€	Note	2021	2020
Revenue	2.1.	66,617	53,174
Other film related income	2.2.	4,562	2,093
Total Income		**71,179**	**55,267**
Cost of Sales	2.3.	-64,828	-55,518
Gross Profit		**6,351**	**-250**
Other operating income	2.4.	4,871	4,704
Administration costs	2.5.	-17,963	-17,407
Other operating expenses	2.6.	-1,889	-56,657
Operating Result		**-8,631**	**-69,610**
Finance income	2.7.	185	2,653
Finance costs	2.7.	-7,978	-8,609
Result of an associate or joint venture	2.7.	85	232
Finance result	**2.7.**	**-7,708**	**-5,723**
Profit/(loss) before income taxes		**-16,339**	**-75,334**
Income taxes	2.8.	694	-1,009
Net result		**-15,644**	**-76,342**
Non-controlling interest in profit or loss		-62	42
Profit/(loss) attributable to shareholders		**-15,583**	**-76,385**
Weighted average number of shares (no.)		23,942,695	23,942,695
Earnings per share			
Basic earnings per share (€ per share)	2.9.	-0.65	-3.19
Diluted earnings per share (€ per share)	2.9.	-0.65	-3.19

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income (IFRS)

in T€	Note	2021	2020
Statement of recognized income and expenses			
Consolidated net income		**-15,644**	**-76,342**
Items that will be reclassified in the income statement			
Items that will not be reclassified in the income statement			
Actuarial gains/loss from defined benefit plans	3.15.	-25	71
Deferred taxes		8	-19
Other result		**-17**	**52**
Consolidated total income		**-15,662**	**-76,291**
Profit attributable to non-controlling interests		-62	42
Share of profit attributable to shareholders		**-15,600**	**-76,333**

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet - Assets (IFRS)

in T€		31.12.2021	31.12.2020
Goodwill	3.1.	68,239	69,656
Intangible assets	3.2.	43,845	54,366
Rights of use	3.4.	2,994	3,534
Tangible assets	3.3.	762	814
Financial assets	3.6.	823	816
Investments accounted for using the equity method	3.5.	2,169	1,842
Deferred tax assets	2.8.	1,050	400
Other non-current assets	3.9.	354	235
Non-current assets		**120,237**	**131,663**
Inventories and work in progress	3.7.	580	2,523
Trade receivables and related accounts	3.8.	34,351	23,757
Income tax receivables		17	244
Other current financial assets	3.9.	11,222	12,328
Other non-financial current assets	3.9.	5,866	5,776
Cash and cash equivalents		26,591	28,878
Current assets		**78,627**	**73,506**
Assets		**198,864**	**205,168**

Consolidated Balance Sheet – Equity and Liabilities (IFRS)

in T€		31.12.2021	31.12.2020
Equity attributable to shareholders	3.10.-3.12.	16,422	30,859
Non-controlling interests	3.13.	-320	-209
Equity		**16,101**	**30,650**
Pension liabilities	3.15.	735	616
Non-current provisions	3.16.	56	17
Deferred tax liabilities	2.8.	1,296	1,916
Non-current financial debt	3.4.-3.17.	69,666	69,336
Other non-current liabilities		2,539	2,643
Non-current liabilities		**74,292**	**74,529**
Current provisions	3.16.	858	1,344
Current financial debt	3.4.-3.17.	52,789	40,374
Suppliers - account payables	3.18.	20,904	23,438
Contract liabilities	3.19.	8,704	13,492
Income tax payables		864	349
Other financial current liabilities	3.20.	19,770	14,505
Other non-financial current liabilities	3.20.	4,584	6,487
Current liabilities		**108,471**	**99,989**
Equity and liabilities		**198,864**	**205,168**

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Cash Flow Statement (IFRS)

in T€	Note	2021	2020
Net result		**-15,644**	**-76,342**
Depreciation, amortization, impairments and write-ups		34,782	83,021
Result from investments accounted for using the equity method		-85	-232
Changes in provisions		-162	-578
Changes in deferred taxes		-1,611	787
Other non-cash income and expenses		7,434	4,630
Changes in trade receivables		-10,724	12,772
Changes in trade payables		-3,059	-9,453
Changes in other assets and liabilities		2,190	5,571
Cashflow from operating activities	4.2	**13,122**	**20,174**
Proceeds from disposals of intangible assets, property, plant, and equipment		301	199
Proceeds from disposals of investments accounted for using the equity-method and other investments		4	2,363
Proceeds from disposals of non-current financial assets		-0	46
Purchases of intangible assets		-21,720	-15,602
Purchases of property, plant and equipment		-101	-77
Purchase of investments accounted using the equity-method		-105	
Purchases of shares in consolidated subsidiaries and business units less cash and cash equivalents acquired		-1	-140
Purchases of investments in financial assets		-6	-15
Cashflow from investing activities	4.3	**-21,627**	**-13,225**
Purchase of non-controlling interests		-45	
Proceeds from other financial liabilities		12,426	2,744
Repayments of other financial liabilities		-930	-4,867
Repayment of lease liabilities		-1,288	-1,239
Cashflow from financing activities	4.4	**10,164**	**-3,361**
Cashflow-related changes in cash and cash equivalents		**1,659**	**3,589**
Cash and cash equivalents at the beginning of period		24,924	21,335
Cash and cash equivalents at the end of period		**26,584**	**24,924**

Cash flows contained in the cash flow from operating activities			
Income taxes paid	4.2	-89	-125
Income taxes received	4.2	0	1
Interest paid	4.2	-542	-634
Interest received	4.2	13	5

Cash and cash equivalents			
Cash and cash equivalents		26,591	28,878
Bank debts (due daily)		-8	-3,954
Cash and cash equivalents at the end of period		**26,584**	**24,924**

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity (IFRS)

in T€	Issued capital	Capital reserve	Accumulated result	Other comprehensive income	Other comprehensive income tax	Equity attributable to shareholders	Non-controlling interests	Equity
As of 1 January 2020	**23,943**	**55,349**	**26,896**	**-136**	**46**	**106.098**	**-317**	**105.781**
Other contributions to equity		1,300				1.300		1.300
Result of the year			-76,385			-76.385	42	-76.342
Other comprehensive income				71	-19	52		52
Change in non-controlling interests			-206			-206	66	-140
As of 31 December 2020	**23,943**	**56,649**	**-49,694**	**-65**	**27**	**30.860**	**-209**	**30.650**
As of 1 January 2021	**23,943**	**56,649**	**-49,694**	**-65**	**27**	**30.860**	**-209**	**30.650**
Result of the period			-15,583			-15.583	-62	-15.644
Other comprehensive income				-26	8	-18	1	-17
Changes in ownership interests in subsidiaries that do not result in a loss of control			6			6	-51	-45
Other contributions to equity		1,129				1.129		1.129
Other adjustments			28			28		28
As of 31 December 2021	**23,943**	**57,778**	**-65,244**	**-91**	**35**	**16.421**	**-321**	**16.101**

For further details, please refer to sections 3.10. Subscribed capital, 3.11. Capital reserves, 3.12. Other reserves, 3.13. Minority interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES AND METHODS

1.1. GENERAL INFORMATION

The Wild Bunch Group (hereinafter referred to as the "Group") was formed in 2015 from the merger between the German media group Senator Entertainment AG, Berlin, and the European film company Wild Bunch S.A., Paris, France, under the umbrella of Wild Bunch AG, Berlin (hereinafter referred to as "Wild Bunch" or the "Company"). The shares of Wild Bunch AG are listed on the Regulated Market ("General Standard") of the Frankfurt Stock Exchange.

The Wild Bunch Group is a leading independent European film distribution and production company with a very extensive film library, actively engaged in acquisition, co-production, film distribution as well as world sales.

The Company is registered under the commercial register number HR B 68059 of the Berlin-Charlottenburg Local Court. The registered office of Wild Bunch AG as the group parent company is at Knesebeckstraße 59-61, 10719 Berlin, Germany. The ultimate controlling party of the Group according to IAS 24 is, to the knowledge of the Group, Mr Lars Windhorst (see also section 5.4.).

The consolidated financial statements of Wild Bunch AG for the financial year ended 31 December 2021 were released by the Executive Board for forwarding to the Supervisory Board of the Company on 29 April 2022 and approved by the Supervisory Board on 29 April 2022.

1.2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB and valid on the reporting date and recognised by the European Union (EU). All IFRS/IAS and IFRIC/SIC whose application was mandatory as of 31 December 2021 were observed. In addition, the provisions of commercial law applicable pursuant to § 315e (1) of the German Commercial Code (HGB) have been observed.

A list of the subsidiaries, associated companies and joint ventures included in the consolidated financial statements can be found in this appendix in section 1.3. Scope of consolidation and consolidation methods. The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation methods corresponding to the respective business activities.

In the balance sheet, a distinction is made between non-current and current assets and liabilities, whereby all assets and liabilities are considered current if they are expected to be realised within twelve months of the balance sheet date or are due within the Group's normal operating cycle. All other assets or liabilities are classified as non-current. The income statement is prepared using the cost of sales method.

In a letter dated 28 July 2020, the German Financial Reporting Enforcement Panel ("FREP") announced that it would subject the consolidated financial statements of Wild Bunch AG as of 31 December 2019 to a sample audit (audit pursuant to § 342b (2) sentence 3 no. 3 HGB). This audit, which took place with interruptions mainly in the period from October 2020 to March 2021 and which on 26 March 2021 was extended to the offset of the costs of the capital increases, resulted on 15 July 2021in the notification of Wild Bunch regarding definite findings related to the following matters:

- Valuation of goodwill
- Valuation of the film distribution rights
- Deduction of costs from equity related to the capital increases

(the “Findings”). Wild Bunch considers the Findings to be unfounded but cannot rule out a confirmation of one or all Findings in the further course of the proceedings. Therefore, on 1. September 2021 Wild Bunch objected the Findings as well as the facts established by FREP. On 22 September 2021, the German Federal Financial Supervisory Authority ("BaFin"), as the competent objection authority, opened an objection procedure to the Findings. Wild Bunch's deadline for submitting a statement to BaFin expires on 3 May 2022.

Furthermore, in a letter dated 17 December 2020, the FREP announced that it would subject the condensed consolidated financial statements of Wild Bunch AG as of 30 June 2020 to an examination in accordance with § 342b (2) sentence 3 no. 1 HGB (occasion-based examination). The audit was prompted by doubts about the accounting treatment of goodwill and film titles as well as deferred tax assets.

Wild Bunch had received the notification of preliminary findings by the FREP on and definite findings regarding the condensed accounts on 14 September 2021. The definite findings were limited to the valuation of goodwill and the valuation of the film distribution rights. Wild Bunch considers these findings to be unfounded but cannot rule out a confirmation of one or all findings in the further course of the audit proceedings. Wild Bunch filed an objection to the FREP's findings on the 2020 condensed consolidated financial statements on 21 September 2021.

On 6 October 2021, German regulator BaFin as the competent appeal body opened an appeal investigation into the findings re the condensed consolidated financial statements 2020. Wild Bunch’s deadline to submit a response to BaFin will expire also 3 May 2022.

It cannot be ruled out that BaFin may confirm FREP's findings re the occasion-based audit of the condensed consolidated financial statements as of 30 June 2020 in which case corrections in accordance with IAS 8 may therefore be necessary in future publications of both the consolidated financial statements as of 31 December 2019 and the condensed consolidated financial statements as of 30 June 2020.

The consolidated financial statements of Wild Bunch AG for the financial year from 1 January to 31 December 2021 were prepared on a going concern basis. See also section 1.4. Exercise of discretion and estimation uncertainties.

The consolidated financial statements are prepared in euros. Unless otherwise stated, all values are rounded up or down to the nearest thousand (T€). For computational reasons, rounding differences to the mathematically exact values may occur.

The consolidated financial statements and the combined group management and management report are published in the electronic Federal Gazette and on the Company's website.

1.3. SCOPE OF CONSOLIDATION AND CONSOLIDATION METHODS

Changes in the scope of consolidation

In the 2021 financial year, there were the following changes in the scope of consolidation:

Wild Bunch S.A., Paris, France acquired 2.49 % of the shares of Elle Driver SAS, Paris, France from the co-shareholder for € 45 thousand, and thus now holds 100 % of the shares as of 31 December 2021.

Furthermore, Wild Bunch S.A. the participation at Wild Bunch International S.A. Paris, France, decreased to 18.99 % as of 31 December 2021 (20.00 % as of 31 December 2020).

Finally, the American company Insiders LLC was liquidated as of 5 May 2021.

Information on the scope of consolidation

The consolidated financial statements include the financial statements of Wild Bunch AG and its controlled subsidiaries as of 31 December 2021. Control exists when the Group has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect those returns. In particular, the Group controls an investee if, and only if, it has all of the following characteristics:

- Control over the investee (i.e. the Group has the ability to direct those activities of the investee that have a significant effect on its returns),
- a risk exposure to or entitlement to fluctuating returns from its involvement in the investee; and
- the ability to use its power over the investee to affect the investee's return.

Wild Bunch AG continuously assesses whether it controls an investee when facts or circumstances indicate that one or more of the above three elements of control have changed.

It is generally assumed that the possession of a majority of the voting rights leads to control.

In assessing whether the Group has the power to direct the relevant activities of an investee despite holding less than 50 % of the voting rights, all relevant facts and circumstances are considered. These include, among others

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

Consolidation of a subsidiary begins on the date on which the Group obtains control over the subsidiary. It ends when the Group loses control over the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the reporting period are recognised in the statement of financial position or statement of comprehensive income from the date the Group obtains control of the subsidiary until the date that control ceases.

The profit or loss and each component of other comprehensive income are attributed to the holders of ordinary shares in Wild Bunch AG (shareholders of the parent company) and to the non-controlling interests, even if this results in a negative balance of the non-controlling interests.

Non-controlling interests represent the share of profit or loss and net assets that is not attributable to the shareholders of the parent company. Non-controlling interests are presented separately in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated balance sheet. In the consolidated statement of financial position, they are reported within equity, separately from the equity attributable to the shareholders of the parent company.

The effects from transactions with non-controlling interests that do not lead to a loss of control are recognised directly in equity as transactions with equity providers.

Shares are deconsolidated when there is no longer any possibility of control. Deconsolidation is the disposal of all assets attributable to the subsidiary, including goodwill and liabilities, as well as differences arising from currency translation. The expenses and income incurred up to this point remain included in the consolidated financial statements.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over the decision-making process.

The Group's investment in an associate is accounted for using the equity method.

Under the equity method, the investment in an associate is recognised at cost at the date of acquisition or, in the case of downward consolidation, at the fair value of the remaining investment.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of the net assets of the associate since the date of acquisition. Any goodwill associated with the associate is included in the carrying amount of the investment and is not recognised as separate goodwill.

The income statement contains the Group's share of the result for the period of the associated company. This is allocated to the carrying amount of the investment. Profit distributions from these companies reduce the carrying amount of the investment. Changes in the other comprehensive income of these investees are recognised in the Group's other comprehensive income. In addition, changes recognised directly in the equity of the associate are recognised by the Group to the extent of its interest and, where necessary, presented in the statement of changes in equity. Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in an associate. The Group determines at each reporting date whether there is objective evidence that the Group's net investment in an associate may be impaired. If any such indication exists, the amount of the impairment loss is measured as the difference between the recoverable amount of the investment in the associate and the carrying amount of the investment and the loss is recognised in the income statement as an impairment loss on investments accounted for using the equity method.

Business combinations

Business combinations are accounted for using the purchase method. The initial consolidation is carried out by offsetting the acquisition costs of the investment (total consideration paid) against the revalued pro rata equity of the subsidiaries at the time of their acquisition. Assets and liabilities are recognised at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests in equity. For each business combination, the Group decides whether to measure the non-controlling interest in the acquiree at fair value (full goodwill method) or at the proportionate share of the acquiree's identifiable net assets (partial goodwill method). In the latter case, goodwill is recognised only at the acquirer's percentage share of the goodwill. Costs incurred in the business combination are recognised as an expense and reported as administrative costs. In the case of business combinations achieved in stages, shares already held by the acquirer before control was obtained are revalued at the fair value applicable at the acquisition date and the consideration paid is added. The gain or loss resulting from the revaluation is recognised in profit or loss. Any remaining positive differences are capitalised as goodwill. Goodwill is tested for impairment annually or whenever there are indications of impairment. Any negative goodwill resulting from capital consolidation is, after reassessment, recognised in full as income in the year in which it arises.

When goodwill has been allocated to a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. The value of the portion of goodwill disposed of is determined based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Scope of consolidation

The composition of the Wild Bunch Group's scope of consolidation as of 31 December 2021 is shown in the following table:

	31.12.2021	31.12.2020
Fully consolidated companies		
Domestic	11	11
Foreign	14	14
Investments in associates and joint ventures		
Domestic	0	0
Foreign	2	3
Total	**27**	**28**

The following companies were included in the consolidated financial statements in the 2021 financial year:

Ser. no.	Fully consolidated entities	Seat	Main business activity	Share in % 2021	Share in % 2020	Held by	See footnote for further infor-mation
	Domestic						
1	Wild Bunch AG	Berlin	Holding	-	-	-	-
2	Wild Bunch Germany GmbH	Munich	Sales	88.0	88.0	12	-
3	Senator Film Produktion GmbH	Berlin	Production	100.0	100.0	1	1, 2
4	Senator Film Verleih GmbH	Berlin	Sales	100.0	100.0	1	1, 2
5	Senator Home Entertainment GmbH	Berlin	Sales	100.0	100.0	1	1, 2
6	Senator Finanzierungs- und Beteiligungs GmbH	Berlin	Holding	100.0	100.0	1	-
7	Senator Film Köln GmbH	Cologne	Production	100.0	100.0	1	1, 2
8	Senator MovInvest GmbH	Berlin	Financing	100.0	100.0	1	1, 2
9	Senator Film München GmbH	Munich	Production	100.0	100.0	1	1, 2
10	Senator Reykjavik GmbH	Berlin	Production	100.0	100.0	3	-
11	Central Film Verleih GmbH	Berlin	Sales	100.0	100.0	1 and 12	-
	Foreign						
12	Wild Bunch S.A.	Paris, France	Holding and international sales	100.0	100.0	1	-
13	BIM Distribuzione s.r.l.	Rome, Italy	Sales	100.0	100.0	12	-
14	Bunch of Talents SAS	Paris, France	Other	80.0	80.0	12	-
15	Continental Films SAS	Paris, France	Sales	100.0	100.0	12	-
16	Elle Driver SAS	Paris, France	International sales	100.0	97.5	12	-
17	Eurofilm & Media Ltd.	Killaloe, Ireland	Sales	100.0	100.0	1	-
18	EWB2 SAS	Paris, France	Sales	100.0	100.0	12	-
19	EWB3 SAS	Paris, France	Sales	100.0	100.0	12	-
20	Filmoline SAS	Paris, France	SVOD and VOD sales	90.1	90.1	12	-
21	Wild Bunch Austria GmbH	Vienna, Austria	Sales	100.0	100.0	4	-
22	Versatile SAS	Paris, France	International sales	100.0	100.0	12	-
23	Vértigo Films S.L.	Madrid, Spain	Sales	80.0	80.0	12	-
24	Virtual Films Ltd.	Dublin, Ireland	Sales	100.0	100.0	12	-
25	BIM Produzione s.r.l.	Rome, Italy	Production	90.0	90.0	13	

Ser. no.	Consolidated at-equity	Seat	Main business activity	Shares in % 2021	Shares in % 2020	Held by	See footnote for further infor-mation
	Foreign						
26	Circuito Cinema s.r.l.	Rome, Italy	Sales	24.9	24.9	13	3
27	Wild Bunch International S.A.	Paris, France	Sales	19.0	20.0	12	3
28	Insiders LLC	Los Angeles, USA	Sales	0.0	45.0	12	3

[1] Profit and loss transfer agreement with the parent company

[2] Section 264 para. 3 HGB was applied

[3] At-equity approach

1.4. EXERCISE OF DISCRETION AND ESTIMATION UNCERTAINTIES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilities, and contingent assets at the date of the financial statements. These estimates and assumptions are based on management's best judgement based on experience from the past and other factors, including estimates of future events. The estimates and assumptions are reviewed on an ongoing basis. Changes in estimates are necessary if the circumstances on which the estimates are based have changed or if new information and additional findings become available. Such changes are recognised in the period in which the estimate is revised.

The key assumptions concerning future developments and the key sources of estimation uncertainty that could require material adjustments to the carrying amounts of assets and liabilities and the reported amounts of revenues, expenses and contingent liabilities within the next twelve months are set out below.

Revenue recognition

The Wild Bunch Group enters into contracts with customers where the effective transaction price is fixed but the amount of revenue is dependent on a future event (e.g. number of admissions, number of downloads). In these cases, the consideration in the Wild Bunch Group is classified as variable consideration. In individual cases, estimates may be made when identifying the transaction price if the corresponding statements from the licensees are not yet available. In this case, the Wild Bunch Group uses the most likely amount method to determine the consideration due to the Wild Bunch Group.

In the case of commissioned productions, revenue is recognised over a certain period of time in accordance with IFRS 15 using the percentage-of-completion method, since an asset is created that has no alternative use and the Group has a legal claim to payment for the service already provided. The progress of completion, after which revenue is recognised, is determined using the cost-to-cost method. The Group considers this input-based method to be the most suitable for determining the degree of completion, because the percentage of completion reflects the economic progress made in accordance with the ratio of the contract costs incurred up to the reporting date to the estimated total contract costs. This method depends on the reliable estimation of the total costs and the percentage of completion. Contract assets of € 0 thousand (previous year: € 0 thousand) were recognised in connection with contract productions as of 31 December 2021.

Rights of use

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

Impairment of non-financial assets

Goodwill and film assets are tested for impairment at least once a year and whenever there are indications of impairment. Other non-financial assets are tested for impairment if there are indications that the book value exceeds the recoverable amount. To assess whether impairment exists, estimates are made of the expected future cash flows per cash-generating unit from the use and possible sale of these assets. Actual cash flows may differ significantly from the discounted future cash flows based on these estimates. Changes in revenue and cash flow projections may result in impairment. (Section 3.2. Intangible assets and 3.3. Property, plant and equipment (Other equipment, factory and office equipment)). The carrying amounts of these non-financial assets as of 31 December 2021 total € 114,264 thousand (previous year: € 124,836 thousand).

Impairment of shares in companies accounted for using the equity method and other companies

Shares in companies accounted for using the equity method and other companies are tested for impairment if there are indications that the carrying amount exceeds the recoverable amount. To assess whether impairment exists, estimates are made of the expected future cash flows per cash-generating unit from the use and possible sale of these assets. The actual cash flows may differ significantly from the discounted future cash flows based on these estimates. The book value of the companies accounted for using the equity method as of 31 December 2021 amounts to € 2,169 thousand (previous year: € 1,842 thousand).

Impairment of financial assets

When estimating the expected credit risks, the Group takes into account all information available on the balance sheet date that is relevant for the measurement of expected losses and their probability of occurrence. In addition to internal information, the Wild Bunch Group uses default probabilities derived from external company ratings. Based on this, estimates of the expected losses over the remaining term are determined by assigning the financial assets to rating classes. These estimates result in the uncertainty that unanticipated losses on receivables will have to be recognised in future periods. The book value of the financial assets as of 31 December 2021 amounts to € 34,351 thousand (previous year: € 23,757 thousand).

Provisions

The determination of provisions for anticipated losses from film rights with onerous contracts with customers and provisions for litigation and regulatory proceedings involves a significant degree of estimation. The Group recognises a provision for anticipated losses on contracts with customers when the current estimated total cost exceeds the estimated revenue. The Group identifies losses on contracts with customers by continuously monitoring and comparing the revenue of the film with the minimum guarantees still to be paid and the costs of disposal and updating the estimates. This requires significant judgement in meeting certain performance requirements and project delays, including assessing the attributable nature of these delays to the project partners involved.

Legal disputes and regulatory proceedings are often based on complex legal issues and are associated with considerable uncertainties. Accordingly, the assessment of whether it is probable that a present obligation from a past event exists at the reporting date, whether a future outflow of resources is probable and whether the amount of the obligation can be reliably estimated is based on considerable judgement. The assessment is usually made with the involvement of internal and external lawyers. It may be necessary to make a provision for an ongoing case due to new developments or to adjust the amount of an existing provision. In addition, the outcome of a case may result in expenses for the Group that exceed the provision created for the matter. The provisions as of 31 December 2021 total € 914 thousand (previous year: € 1,361 thousand).

Liabilities from licensor shares

The group companies are exposed to various subsequent claims from licensors regarding their shares from the marketing of film rights. At this point in time, the Group assumes that the liabilities cover the risks. However, further claims could be made whose costs are not covered by the existing liabilities. Such changes as they occur may impact the liabilities recognised for licensor interests in future reporting periods. The carrying amount of the liabilities from licensor shares as of 31 December 2021 is € 17,517 thousand (previous year: € 12,319 thousand).

Income taxes

The determination of deferred and current income tax assets and liabilities requires extensive judgements, assumptions and estimates.

The recognised income tax liabilities and provisions are partly based on estimates and interpretations of tax laws and regulations in different jurisdictions.

With regard to deferred tax items, there are degrees of uncertainty concerning the time at which an asset will be realised, or a liability will be settled, as well as the amount of the tax rate applicable at that time. The recognition of deferred tax assets on loss carryforwards requires an assessment of the probability of the future realisability of loss carryforwards. Influencing factors that are taken into account in this assessment are the earnings history, earnings planning and future earnings development. The actual profits may deviate from the expected profits. These deviations can have an impact on deferred and current income tax assets and liabilities recognised in future reporting periods.

Impact of the Coronavirus Pandemic on financial reporting

2021 Group's operations were again highly impacted by the Covid-19 pandemic. The entertainment industry, particularly the film sector, has bore the consequences of the Covid-19 pandemic that started in 2020. Cinemas started to reopen late in the year and usually with a strict limitation of the number of spectators. All movies that had not been released in 2020 were released simultaneously, which has led to an oversupply during which movies had difficulties to really exist and be attractive. Nevertheless, Major film festival were held virtually, and the Group was very dynamic during those markets. The Group also continued its efforts to compensate for the decline in theatrical and physical video revenues through TV and SVOD sales.

For further information on the effects of the Coronavirus pandemic, see "Report on the Economic Situation" in the Group Management Report.

In view of the changed general conditions and their effects on current and future business activities, Wild Bunch had to make assumptions and estimates to a certain extent in the preparation of the consolidated financial statements, which have an effect on the valuation of the reported assets and liabilities. Such estimates, assumptions and the exercise of judgement related primarily to the following areas:

- Impairment testing of non-financial assets, in particular goodwill;
- Assessing the probability of future recoverability of deferred tax assets;
- Calculation of impairments of the film portfolio.

For the methods applied, see section 1.5. Presentation of the main accounting and valuation methods.

Assumption of going concern

The consolidated financial statements of the Company have been prepared on a going concern basis.

The Wild Bunch Group requires liquid funds to cover its financial liabilities. These liquid funds are generated partly by current business activities and partly by financing. The liquidity risk of Wild Bunch AG results from a loss of access to new liquid funds. This can be the case if master loan agreements are terminated or not extended by banks or investors. Wild Bunch AG is financed primarily through a credit facility with Commerzbank AG and shareholder loans. The credit facility concluded with Commerzbank AG in April 2020 amounts to up to € 18.0 million with an addendum as of October 2021 and has a term until October 2022. Discussions with Commerzbank regarding an extension of the credit facility beyond this are in preparation. The current agreement with Commerzbank AG provides, among other things, for the bank to make funds available in exchange for the assignment of receivables. Furthermore, liquid funds of Wild Bunch AG of € 8.8 million serve as collateral for the loan with Commerzbank AG. In May 2019, the majority shareholder of Wild Bunch AG, Voltaire Finance B.V., granted a shareholder loan in the amount of € 40.0 million as part of the refinancing of the bridge loans it had granted, of which Wild Bunch AG had drawn € 5.0 million and its wholly owned subsidiary Wild Bunch S.A. had drawn € 22.0 million. With the signing of this loan agreement, a further € 13.0 million was paid out to Wild Bunch S.A. The loan agreement has a term until June 2023. The interest rate is 9.5 %. The loan has a final maturity. The agreed financial covenants were suspended until 1 January 2023 with the agreement of June 2020. Furthermore, a loan agreement for € 8.8 million has been in place between Voltaire Finance B.V. and Wild Bunch AG in connection with the credit facility with Commerzbank AG since February 2020. The interest rate is 1.0 %. Financial covenants have not been agreed. In addition, a loan agreement for € 10.0 million was concluded between Voltaire Finance B.V. and Wild Bunch AG in September 2021 in connection with the financing of the operating business. The interest rate is 5.0 %. Financial covenants have not been agreed.

On 25 April 2022, Wild Bunch AG and Wild Bunch S.A. agreed with Voltaire Finance B.V. and Tennor Holding B.V. on the renewed deferral of any payment obligations and any payments of accrued and outstanding as well as further accruing interest under the aforementioned loan agreements until 31 December 2023 and suspended the financial covenants agreed therein until 1 January 2024.

In addition, Wild Bunch AG is in advanced negotiations with Voltaire Finance B.V. regarding the extension of further shareholder loans and a postponement of maturities of existing liabilities for the sustainable refinancing of the Wild Bunch Group. To this end, the parties have finalised an agreement under which Voltaire Finance B.V. will provide Wild Bunch AG and Wild Bunch S.A., as borrowers, with a total credit facility of € 100 million for a period of 3 years from the date of full signature of the agreement, subject to compliance with certain business planning requirements, for the financing of working capital requirements, the acquisition or development of new cinematic content or for the financing of general corporate purposes. In parallel, Wild Bunch AG and Voltaire Finance B.V. have finalised the first tranche agreement under the credit facility for a loan of € 17 million with a term of three years and an interest rate of 5% p. a. Wild Bunch AG expects an inflow of funds by the middle of Q2 2022.

If the planned financing measures cannot be carried out on time or successfully, this would impair the further development of the company and the Group and could endanger their existence.

1.5. PRESENTATION OF THE MAIN ACCOUNTING AND VALUATION METHODS

Accounting in the Wild Bunch Group is based on the principle of historical cost. Exceptions are items that are recognised at fair value, such as certain financial assets and financial liabilities recognised at fair value. The accounting and valuation methods applied uniformly throughout the Group in the 2021 financial year are essentially unchanged compared to the previous year, with the exception of the standards to be applied for the first time in the 2021 financial year, as stated below.

The Group applied the following standards and amendments for the first time in the 2021 financial year:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Phase 2 - Clarification of issues that could affect financial reporting following the reform of the reference rate (including its replacement with alternative reference rates).

The first-time application of these amendments to accounting standards in the 2021 financial year did not result in any significant changes compared to the previous year.

Issued Accounting Standards and Interpretations not yet applied

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

Standards / Interpretations		**Mandatory application in the EU**
IFRS 16 Leases	Adjustment in respect of COVID-19-related lease discounts after 30 June 2021	01.04.2021
IFRS 3 Business combinations	Change in referencing to the current 2018 framework.	01.01.2022
IAS 37 Provisions, contingent liabilities and contingent assets	Concretisation of "costs of fulfilling the contract" to "costs that relate directly to the contract".	01.01.2022
IAS 16 Property, Plant and Equipment	Changes to the directly attributable cost of an item of property, plant and equipment.	01.01.2022
Annual Improvements 2018-2020	Improvements to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	01.01.2022
IAS 1 Presentation of Financial Statements	Amendments to the criteria for classifying liabilities as current or non-current.	01.01.2023
IAS 1 Presentation of Financial Statements including amendments to Practice Statement 2	Improving disclosures about accounting policies and adjusting the guidance in Practice Statement 2 accordingly.	01.01.2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Clarification on the distinction between changes in accounting policies and accounting estimates.	01.01.2023
IAS 12 Income taxes	Deferred tax on assets and liabilities arising from the same transaction.	01.01.2023

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

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

Foreign currency translation

The functional currency of Wild Bunch AG and the reporting currency of the Group is the euro. Transactions in currencies other than the functional currency of the respective group company are recognised by the companies using the exchange rate valid on the transaction date. Monetary assets and liabilities are translated at the closing rate on the balance sheet date.

Gains or losses from the settlement of these transactions, as well as gains or losses from the translation of monetary assets and liabilities, are recognised immediately in the income statement under operating income or expenses if they are related to the operating business; otherwise translation differences are recognised in the financial result.

The functional currency of the foreign subsidiaries is generally the currency of the country in which they operate. The results and balance sheet items of these Group companies, which have a functional currency that differs from the Group's reporting currency, are translated into euros as follows:

1. Assets and liabilities are translated at the closing rate for each balance sheet date.
2. The items of the profit and loss account are translated at the average exchange rate.
3. All resulting translation differences are recognised in other comprehensive income.

The following exchange rates are used to translate the foreign currency items in the individual financial statements:

	Closing rate (based on € 1)	
	2021	2020
US-Dollar	1.1326	1.2271
	Average rate (based on € 1)	
	1.1. until 31.12.2021	1.1. until 31.12.2020
US-Dollar	1.1835	1.1422

All foreign subsidiaries of Wild Bunch AG included in the consolidated financial statements in the financial year and the previous year, with the exception of the US at-equity investment - until its liquidation in the financial year - have the euro as their functional currency.

Segments

The Group is divided into two segments/business areas that are managed individually. Financial information on business segments and geographical segments is presented in the explanation in section 5.1. Segment reporting.

The determination of the Group's business segments is based on the organisational units. The allocation of the organisational units to the business segments and the delineation of the segments is based on the internal reporting of the organisational units to the Executive Board with regard to the allocation of resources and the assessment of profitability. The Group consists of the segments:

- International sales and distribution as well as film production and
- Other. This segment includes the operation of a VOD/SVOD platform and other activities.

Group functions are shown under non-attributable income and expenses. These include the actual Group management, legal, finance and IT.

Measurement of the fair value

The Group assesses its financial instruments, including derivatives, or liabilities measured at fair value at each balance sheet date.

The fair value is the price that independent market participants would receive upon sale of an asset or pay upon transfer of a liability under normal market conditions on the valuation date (exit price).

The valuation assumes that the sale or transfer is made in the principal or most advantageous market for that asset or liability. If a principal market is not available, it is assumed that the most advantageous market is used for measuring the fair value. The fair value of an asset or liability is measured on the assumption that market participants act in their best economic interest when pricing the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The use of significant observable inputs is maximised and the use of unobservable inputs is minimised.

All assets and liabilities measured at fair value or disclosed in the notes are allocated to the following levels of the fair value hierarchy based on the lowest input factor that is significant to the measurement as a whole:

- Level 1: Quoted (unadjusted) prices (e.g. stock exchange prices) in active markets accessible to the Group on the measurement date for identical assets or liabilities,
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g. yield curves, forward exchange rates), and
- Level 3: Inputs that are unobservable for the asset or liability (e.g. estimated future results).

The fair values are determined on the basis of the hierarchy levels.

Revenue from contracts with customers

The Group is an independent European film distribution and production company active in direct distribution in France, Italy, Germany, Spain and Austria, in world distribution as well as in production and co-productions and direct electronic distribution of films and TV series.

Film exploitation rights are generally sold individually in contracts with customers. The Group receives both use-based and sales-based royalties for transferred film exploitation rights. These revenues are generally only recognised when the later of the two following events has occurred:

a) the licensee itself has realised revenue or
b) the use triggering the licence fee has actually taken place and the performance obligation has been fulfilled in full.

IFRS 15 contains specifications for the reporting of performance surpluses or obligations existing at the contract level. These are assets and liabilities from customer contracts that arise depending on the relationship between the performance rendered by the Company and the payment made by the customer. A contract liability is an obligation of the Group to a customer to deliver goods or provide services for which the customer has already provided services, for example in the form of advance payments. A contract asset is a contingent claim to consideration for services already rendered that will be fulfilled over a certain period of time. This essentially concerns services within the scope of commissioned productions.

The individual revenue transactions are explained below. As in the previous year, the normal payment period is 30 days. In the case of commissioned productions, payments are usually due shortly after reaching contractually agreed milestones; the number of agreed instalments varies according to the individual contract. There are no significant financing components as defined by IFRS 15.

The Wild Bunch Group generally operates as a principal and recognises revenue accordingly on a gross basis. Only in exceptional cases does the Wild Bunch Group provide an agent service (broker). In these cases, the commissions earned by the Group are recognised in the revenue and thus reported net.

1. World distribution

The sale of world rights (all exploitation stages per exploitation area) for a fixed fee are licence sales and, like the sale of goods, are realised at the time when the customer obtains the power of disposal over the film material, i.e. when the customer has the ability to determine the use of the transferred film material, essentially derives the remaining benefit from it and when the contractually agreed licence exploitation period has begun. This is done exclusively on a point in time basis. The prerequisite for this is that a contract with enforceable rights and obligations exists and the receipt of the consideration - taking into account the creditworthiness of the customer - is probable. The sales revenues correspond to the transaction price that Wild Bunch expects to achieve.

The minimum guarantee is the amount not repayable by a third party (e.g. film producer) for a film right. Licensor shares are counted towards this minimum guarantee and exceeding amounts are recognised as revenue if confirmed in writing by the local distributor.

2. Cinema rights

Revenue from screening rights for films is recognised as of the theatrical release of the film. The cinema operators report the number of cinema visitors and the corresponding cinema revenues. Revenue from screening rights, which is paid by cinema operators to the distributor, is calculated on the basis of a contractually agreed percentage of the revenue from the sale of cinema tickets.

3. Home entertainment and revenues from VOD/SVOD and pay-per-view distribution

The video/DVD rights of the Group companies are recognised on the basis of monthly sales figures, taking into account volume discounts and return rights. Volume discounts and return rights contractually granted to the customer are variable remunerations. These are not performance obligations in their own right. Wild Bunch prepares estimates of how many returns can be expected in the reporting period. The estimates are based on the analysis of contractual or legal obligations and historical developments as well as the Group's experience. Based on the information available at this point in time, management considers the recognised variable remuneration to be appropriate. The amount is not material to the Group. The expected returns are measured at each balance sheet date. The Group uses the portfolio approach to calculate the expected returns.

Revenues from VOD/SVOD and pay-per-view sales are recognised on a monthly basis upon receipt of the statements from the platform operators.

4. Television rights (Pay-TV and Free-TV)

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

Revenue from a licence agreement for TV programme material is recognised when all of the following conditions are met:

a) the licence fee for each film is known,
b) the cost of each film and the costs associated with its sale are known or can be reasonably determined,
c) the collection of the entire licence fee is sufficiently ensured,
d) the film has been delivered and accepted by the licensee in accordance with the terms and conditions attached to the Licence Agreement.

5. Film and television productions

Sales from film and television productions include in-house productions, co-productions and commissioned productions.

The realisation of profits for commissioned productions is generally carried out on a time-period basis according to the cost-to-cost method. If the result of the production order cannot yet be reliably estimated, the realisation of income is only in the amount of the costs already incurred (zero profit method). If it is probable that the total contract costs will exceed the contract revenue, the expected loss is recognised immediately as an expense. Ongoing commissioned productions are recognised as contract assets in the amount of the difference between realised revenues and the contractually agreed dates of invoicing.

Government grants

1. Film funding as conditionally repayable loans

Wild Bunch has access to film subsidies in Germany in the form of conditionally repayable interest-free loans. These must be repaid as soon as and to the extent that the producer's income from the exploitation of the film exceeds a certain amount. These are government grants for assets. They are deducted from the carrying amount of the film assets in the balance sheet in the amount that cannot be repaid with reasonable certainty. The grants are recognised in profit or loss over the exploitation cycle of a film by means of a reduced depreciation amount of the capitalised production costs.

The amount that is not repayable with reasonable certainty can generally be determined at the time of the theatrical release. Liabilities for conditionally repayable loans amounted to € 750 thousand as of 31 December 2021 (previous year: € 849 thousand). If it is determined at a later date that part of a loan must be repaid, an expense is posted for this amount and the corresponding amount is recognised as a liability. In the 2021 financial year, these grants amounted to € 35 thousand (previous year: € 750 thousand).

2. Film funding (non-repayable)

Furthermore, film subsidies are granted to reimburse the production costs of a cinema film as non-repayable grants if defined conditions are met. These are government grants for assets. The subsidies granted are deducted from the book value of the film in the balance sheet at the latest at the time of the theatrical release. In the financial year, € 838 thousand (previous year: € 87 thousand) in project subsidies were deducted from the production costs. Prior to the theatrical release, these are capitalised as other receivables. These grants are recognised in profit or loss by means of a reduced depreciation amount of the capitalised production costs over the exploitation cycle of a film.

3. Distribution subsidies as conditionally repayable loans

Wild Bunch receives distribution subsidies in Germany in the form of conditionally repayable interest-free loans. These must be repaid as soon as and to the extent that the distributor's income from the exploitation of the film exceeds a certain amount. These are government grants for expenses already incurred. They are recognised as a reduction of the release costs in the amount that cannot be repaid with sufficient certainty. In the financial year, the grants amounted to € 35 thousand (previous year: € 802 thousand). The grants are recognised in the periods in which the corresponding release costs are incurred.

The amount that is not repayable with reasonable certainty can generally be determined at the time of the theatrical release. Should it be determined at a later date that a portion of a loan is to be repaid, an expense is recognised in the amount of this amount and the corresponding amount is carried as a liability.

4. Reference funds for distribution and sales (non-repayable)

The Wild Bunch Group has access to MEDIA funding from the European Union as well as national funding for the distribution and sales of films in the form of reference funds. These reference funds are non-repayable grants. They are granted to finance production/co-production costs or the acquisition of a subsequent film or to finance release costs depending on the number of admissions achieved in the theatrical exploitation of a film (reference film).

In the income statement, these reference funds are reported under other film-related income if the conditions for receiving the reference funds are met. At the same time, the receivables from European or state funding institutions or country funding institutions are reported in the balance sheet under other assets. In the financial year, grants amounted to € 3,216 thousand (previous year: € 1,909 thousand).

5. Sales subsidies (non-repayable)

Wild Bunch receives grants for the distribution of films in various countries. These are grants that do not have to be repaid. In the income statement, these grants reduce the release costs of the film if the conditions for receiving these grants are met. At the same time, the receivables are reported in the balance sheet under other assets. In the 2021 financial year, these grants amounted to € 1,229 thousand (previous year: € 849 thousand).

Interest

Interest is recognised as income or expense in the correct period at the time as it accrues using the effective interest method.

Income taxes

Income tax expense or income represents the sum of current taxes and deferred taxes.

Current and deferred tax is recognised in the consolidated income statement unless it relates to items that are recognised either in other comprehensive income or directly in equity. In this case, current and deferred tax is also recognised in other comprehensive income or directly in equity. If current or deferred tax results from the initial accounting for a business combination, the tax effects are included in the accounting for the business combination.

Current taxes

Current taxes are calculated on the basis of the result for the financial year and in accordance with the national tax laws of the respective tax jurisdiction. Where the effect of tax laws is not clear, estimates are used to calculate the tax liability on the profits recognised in the consolidated financial statements. The Group considers the estimates, judgements and assumptions to be reasonable. Expected and actual tax payments or refunds for previous years are also included.

Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are determined based on the balance sheet (liability method). For the consolidated financial statements, deferred taxes are calculated for all temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets from deductible temporary differences and tax loss carryforwards are only recognised to the extent that it can be assumed with sufficient probability that the respective company will be able to generate sufficient taxable income for the future tax utilisation of the loss carryforwards.

The carrying amount of deferred tax assets is reviewed annually at the balance sheet date and reduced if it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. The planning used for the valuation of deferred tax assets must be in line with the planning used for the valuation of goodwill.

Deferred income tax assets and liabilities are not discounted.

Deferred tax liabilities and assets are measured at the tax rates and laws that are expected to apply to the full stop when the liability is settled or the asset is realised, based on the known tax rates in the various countries at the balance sheet date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects to settle the liability or realise the asset at the reporting date.

Deferred tax assets and deferred tax liabilities are offset against each other if the Group has a legally enforceable right to offset current tax assets against current tax liabilities and these relate to income taxes levied by the same taxation authority on the same taxable entity.

Intangible assets

The Wild Bunch Group capitalises separately acquired (i.e. not acquired in a business combination) and internally generated intangible assets if the asset:

a) is beneficially owned by the Company as a result of past events,
b) if it can be assumed that a future economic benefit from this asset will flow to the Company.

In accordance with IAS 38, development costs are capitalised as internally generated intangible assets at cost if the following capitalisation criteria are cumulatively met:

a) the completion of the intangible asset can be technically realised to the extent that internal use or sale is possible,
b) there is an intention to complete the intangible asset and to use or sell it,
c) the entity is able to use or sell the intangible asset
d) the asset will demonstrably generate future economic benefits,
e) adequate technical, financial and other resources are available to complete the development; and

f) the costs incurred during development that are attributable to the intangible asset can be measured reliably.

Intangible assets that do not meet the conditions are expensed as incurred.

Intangible assets are recognised at cost less accumulated amortisation and accumulated impairment losses. The capitalised production costs are amortised over their useful life as soon as the development phase is completed and their use is possible. The amortisation period is based on the expected useful life. The expected useful lives, residual values and depreciation methods are reviewed annually and any necessary changes in estimates are taken into account prospectively. The amortisation period and schedule are reviewed annually at the end of each financial year. The useful lives of the significant intangible assets are explained below:

1. Film rights

The item film assets includes both acquired world distribution rights and rights to third-party productions, i.e. films not produced within the Group as well as production costs for films produced within the Group (in-house and co-productions) and costs for the development of new projects. The acquisition of rights to third-party productions generally includes theatrical, home entertainment and TV rights.

The acquisition costs for third-party productions basically include the minimum guarantees as well as the dubbing costs of the film. The individual instalments of the minimum guarantee are recorded as advance payments and capitalised in the film assets upon delivery and acceptance of the material. The dubbing costs are capitalised with the film rights upon acceptance of the dubbed version.

Own productions are recognised at their production costs. The production costs also include the financing costs attributable to the respective production. Financing for projects is primarily secured by rights from these projects.

The acquisition and production costs for the acquisition or production of films are capitalised in accordance with IAS 38 "Intangible Assets".

The Group amortises film assets using a revenue-based amortisation method. As intangible assets, films are not subject to physical amortisation. They are typically exploited via subsequent exploitation stages (cinema exploitation, home entertainment, TV and other) and consequently consumed economically via this exploitation. The allocation of consumption to the individual stages of exploitation is significantly related to the respective share of the achievable sales revenue of the respective stage of exploitation. For this reason, the revenues generated and the economic consumption of the respective film are highly correlated and the Company therefore considers the conditions for an exception in accordance with IAS 38.98A to be met. To determine the amortisation of a film, the carrying amount is multiplied by the ratio of net revenues received in the reporting period and the expected future net total revenues. Amortisation is charged from the date of initial release, or from the date of acquisition in cases where acquisition occurs after initial release, over a maximum period of 10 years. The minimum depreciation is at least the imputed straight-line depreciation of 10 % per year.

Film libraries acquired as part of a business acquisition are amortised over their expected useful lives not exceeding a maximum period of 12 years.

An impairment test is also carried out for each film title if there are indications of impairment. If the acquisition costs or the book value are not covered by the estimated total revenues less release costs still to be incurred for a film, taking into account their timing, a write-down to the value in use is made. To determine the fair value less costs to sell, a discounted cash flow model is used in which the estimated cash flows are discounted using discount factors that take into account the maturities of the evaluation stages. The estimated cash flows can change significantly due to a number of factors, such as market acceptance. The Wild Bunch Group reviews and revises the expected cash flows and amortisation expense as soon as there are changes in the previously expected data.

Capitalised costs for the development of new projects (especially screenplay rights) are also regularly checked to see if they can still be used as a basis for a film production. If, after initial capitalisation of costs for a project, the start of filming or the sale of the rights is not predominantly probable, the costs are written off in full. If there is an early impairment, it is recognised in profit or loss.

2. Goodwill

Goodwill is recognised at cost less any necessary impairment losses and is shown separately in the consolidated balance sheet. The acquisition costs of goodwill result from the sum of:

a) the fair value of the consideration transferred at the acquisition date,
b) the amount of any non-controlling interests; and
c) the fair value of the interest in the acquiree previously held by an acquirer in a business combination achieved in stages, less the fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed.

Goodwill is allocated on acquisition to those cash-generating units (or groups thereof) of the Group that are expected to benefit from the synergies of the combination.

Cash-generating units to which a portion of goodwill has been allocated shall be tested for impairment at least annually. If there are indications that a unit is impaired, it may be necessary to perform impairment tests more frequently. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss first reduces the carrying amount of the goodwill and then the impairment loss is allocated to the carrying amount of each asset in proportion to the total carrying amount of the assets within the unit. Any goodwill impairment loss is recognised directly in the income statement. An impairment loss recognised for goodwill shall not be reversed in future periods.

When goodwill has been allocated to a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. The value of the portion of goodwill disposed of is determined based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3. Other intangible assets

This category essentially includes software programmes, which are valued at acquisition cost less scheduled straight-line depreciation and impairment.

New software is capitalised at cost and recognised as an intangible asset unless such cost is an integral part of the related hardware. Software is amortised on a straight-line basis over a period of three to four years. An intangible asset is derecognised on disposal or when no further economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the income statement when the asset is derecognised. This is reported under other income or other expenses.

Property, plant and equipment

Property, plant and equipment includes land, land rights and buildings, leasehold improvements, technical equipment and machinery, other equipment, operating and office equipment as well as advance payments made.

Property, plant and equipment are valued at acquisition or production cost less scheduled straight-line depreciation. The acquisition costs for leasehold improvements are generally depreciated over the term of the respective lease (up to 10 years). Technical equipment as well as office furniture and equipment are valued at their acquisition cost less scheduled depreciation or impairment. Scheduled depreciation is carried out on a straight-line basis over the normal useful life of 3 to 10 years. Fixtures are depreciated over the normal useful life of 25 years. Repair and maintenance expenses are recognised as expenses at the time they are incurred. On disposal, the acquisition cost and the related accumulated depreciation are derecognised. The resulting gains or losses are recognised in profit or loss in the financial year. If the acquisition costs of certain components of an item of property, plant and equipment are material, then these components are accounted for and depreciated individually.

Leases

IFRS 16 requires lessees to recognise all leases as an asset in the form of a right-of-use asset and a corresponding discounted lease liability on the liabilities side. A lease exists if the fulfilment of the contract depends on the use of an identifiable asset and Wild Bunch simultaneously obtains control over this asset. The right-of-use asset is generally the present value of the future lease payments plus directly attributable costs and is generally depreciated on a straight-line basis over its useful life. The lease liability is amortised using the effective interest method and reported under other financial liabilities. Subsequent findings relating to renewal and termination options were taken into account when determining the terms. In the income statement, the expense from leases is reported as depreciation on the right of use and as interest expense on the lease liability. In the cash flow statement, payments from leases are divided into interest payments and repayments. While the interest payments are reported in the cash flow from operating activities, the principal payments are allocated to the cash flow from financing activities.

The Wild Bunch Group has identified two categories of leases: Leased real estate and leased fixtures, fittings and equipment and leased vehicles. As the Wild Bunch Group is active in the media sector, physical assets from leasing contracts only have a supporting function for the business operations.

Wild Bunch applies the option not to recognise short-term leases with a term of no more than 12 months (and without a purchase option) and leases where the underlying asset of the lease is of low value (less than € 5 thousand per asset) (IFRS 16.5). Lease payments from short-term and low-value leases continue to be recognised as an expense in administrative expenses.

Wild Bunch applies the marginal borrowing rate for the initial measurement of lease liabilities (IFRS 16.C8(b)(i)).

Impairment of non-financial assets

For goodwill and film assets an impairment test is carried out at least annually and if there are indications of impairment during the year. The annual impairment test at Wild Bunch takes place on 31 December of each financial year. An impairment test is carried out for other intangible assets and property, plant and equipment if there are indications that these assets have been impaired. Indications of impairment include, for example, a significant reduction in the fair value of the asset, significant changes in the business environment, substantial indications of obsolescence or changes in earnings expectations. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of any impairment loss. The recoverable amount of an asset is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. If the recoverable amount is determined in the form of the value in use, it is based on expected future cash flows.

The recoverable amount is determined for each individual asset, unless an asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An impairment loss is recognised as an unscheduled write-down in profit or loss and is included in cost of sales or administrative expenses.

If the impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is written up to the revised estimate of its recoverable amount. Goodwill is an exception to this rule. The increase in the carrying amount is limited to the value that would have resulted if no impairment loss had been recognised for the asset or cash-generating unit in previous years. A reversal of an impairment loss on film assets is recognised in profit or loss as other film-related income, while a reversal of an impairment loss on other non-financial assets is recognised in profit or loss as other operating income.

To determine the fair value less costs to sell, recent market transactions are taken into account. If no such transactions are identifiable, an appropriate valuation model is applied. This is based on valuation multiples or other available fair value indicators. To determine the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market expectations about the time value of money and the risks specific to the asset.

The Group bases its impairment assessment on detailed budget and forecast calculations, which are prepared separately for each asset or for each of the Group's cash-generating units to which individual assets are allocated.

The annual impairment test of intangible assets is based on the determination of the value in use using estimated future discounted cash flows derived from the medium-term planning. For the impairment test of goodwill, the planning horizon of the medium-term plan is five years. For the impairment test of individual film rights, the detailed planning period is three years.

The calculation of the recoverable amount involves estimates by management and assumptions. The estimates and assumptions are based on premises that are based on the currently available knowledge. Due to developments that deviate from these assumptions and are outside the Company's sphere of influence, the amounts that arise may deviate from the original expectations and lead to adjustments of the carrying amounts.

For intangible assets that are not yet available for use, an impairment test is performed annually and whenever there is an indication of impairment.

The discount factor is determined using the weighted average cost of capital (WACC) method.

Inventories

Inventories are valued at the lower of cost or net realisable value (sales-oriented, loss-free valuation). Production costs include all direct costs attributable to the production of goods and services as well as production-related overheads. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The acquisition/production costs are determined according to the first-in-first-out (FIFO) method.

Value adjustments on merchandise, especially consisting of DVDs and Blu-rays, are made based on sales analyses. Based on historical movements and on the products in stock, management analyses whether the value of the goods is still recoverable. If this analysis shows that individual products are no longer recoverable, they are written down accordingly. Further value adjustments are made for damaged or defective merchandise.

Classification and valuation of financial instruments

The classification and measurement of financial assets according to IFRS 9 are based on the one hand, on the so-called cash flow condition (exclusively cash flows from interest and repayment of principal) and, on the other hand, they depend on the business model according to which portfolios of financial assets are managed.

1. Classification of financial instruments

In categorising financial assets, IFRS 9 is limited to the following categories,

- Accounting at amortised cost on an effective interest basis (at amortised cost)
- Fair value through profit or loss accounting (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

As a rule, financial assets and financial liabilities are not offset. They are only offset if there is a right of set-off with respect to the amounts at the present time and the intention is to settle on a net basis.

Regular way purchases and sales of financial assets are recognised on the settlement date.

Financial assets: debt instruments and equity instruments

Financial assets held within a business model that requires the asset to be held to collect the contractual cash flows are carried at amortised cost. These business models are managed on the basis of the interest rate structure and credit risk. Initial measurement is at fair value plus transaction costs. Subsequent measurement is at amortised cost based on the effective interest rate.

If the business model basically provides for holding the assets, but they are sold if this is necessary, for example to cover a liquidity requirement, these assets are measured at fair value without affecting profit or loss (FVTOCI). Initial measurement is at fair value plus transaction costs. Subsequent measurement is at fair value at the reporting date through other comprehensive income with recycling. Impairments, interest income and foreign currency gains are recognised in the income statement.

Debt instruments whose cash flows do not consist exclusively of interest and principal payments, such as derivative financial instruments without hedging relationships, as well as equity instruments are generally measured at fair value through profit or loss (FVTPL). Initial measurement is at fair value without transaction costs. Subsequent measurement is at fair value as at the reporting date via the income statement.

Except for the investments not included in the consolidated financial statements, the Wild Bunch Group does not hold any financial assets measured at fair value as of 31 December 2021 or 31 December 2020.

Derecognition of financial assets

Financial assets are only derecognised if the contractual right to cash flows from the asset expires or is transferred to a third party or if the Group has agreed to pass on the cash flows received to a third party and to transfer the risks and rewards or control of the asset to that third party.

Financial liabilities

Financial liabilities held for trading (e.g. derivative financial instruments without hedging relationship) are measured at fair value with changes in value recognised through profit or loss (FVTPL).

All other financial liabilities are measured at amortised cost. Liabilities from outstanding invoices are reported under trade payables and other liabilities. Non-current liabilities are valued using the effective interest method.

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

2. Impairment of financial assets (debt instruments measured at amortised cost)

Under IFRS 9, impairment losses on financial assets that are not measured at fair value through profit or loss are already recognised for expected credit losses. Their extent is determined on the one hand by the credit risk of a financial asset, but also by the change in their respective credit risk. If the credit risk of the financial asset has increased significantly since it was first recognised in the balance sheet, the expected credit losses over the entire term of the asset are taken into account. If, on the other hand, the credit risk has not increased significantly during the period, only the credit losses expected within the next twelve months are recognised as impairment.

The Wild Bunch Group uses default probabilities derived from external company ratings in addition to internal information to determine default risk and assigns customers to specific rating groups according to their historical and expected risk profile. A significant increase in the counterparty's credit risk is assumed if its rating has decreased by a defined number of notches.

The expected credit loss approach is based on a three-step approach to allocating allowances:

In principle, all instruments are to be classified in level 1 upon addition. For them, the present value of the expected payment defaults resulting from possible default events within the next 12 months after the balance sheet date must be recognised as an expense.

Level 2 includes all instruments that show a significant increase in default risk on the balance sheet date compared to the date of addition. The risk provision must reflect the present value of all expected losses over the remaining term of the instrument.

Significant indications of impairment include:

- Significant deterioration in the debtor's expected performance and behaviour
- Significant deterioration in the credit quality of other instruments of the same obligor
- Actual or expected deterioration in the economic, financial, regulatory or technological circumstances relevant to the debtor's creditworthiness

Level 3 - If, in addition to a significant increase in the default risk on the reporting date, there is also an objective indication of impairment, the measurement of the risk provision is also based on the present value of the expected losses over the remaining term.

Objective indications of impairment include:

- Significant financial difficulties of the issuer or the debtor
- A breach of contract such as a default or delay in interest or principal payments
- An increased probability that the borrower will enter insolvency or other reorganisation proceedings

In deviation from these requirements, the credit losses expected over the respective total term are always taken into account as impairment in a simplified approach for trade receivables that do not contain any significant financing components. In the simplified approach, it is not necessary to track changes in the default risk. Instead, a risk provision in the amount of the total term of the expected default risk is to be recognised both at initial recognition and within the scope of subsequent measurement.

The determination of impaired creditworthiness is not automatically made when receivables are more than 90 days past due but is always based on the individual assessment of credit management. The Wild Bunch Group recognises specific allowances of up to 100 % of the outstanding amount for trade receivables and contract assets where there is clear objective evidence.

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9. As long as the counterparties - banks and financial institutions - have a good rating, no impairments are made or recognised due to immateriality. Other financial receivables measured at amortised cost mainly include receivables from film subsidies, third-party funds and creditors with debit balances that are not related to the realisation of sales revenues. These other financial receivables are considered to have a low risk of default. Value adjustments are therefore limited to the expected 12-month credit losses. The management assumes that the default risk is low if there is an investment grade rating (e.g. at least BBB- according to Standard & Poors) or the risk of non-performance is low and the counterparty is able to meet its contractual payment obligations at any time in the short term.

3. Hedge accounting

There were no hedging relationships in the Wild Bunch Group as of both 31 December 2021 and 31 December 2020.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and current account balances at banks and are valued at acquisition cost. They are only reported under cash and cash equivalents if they can be converted at any time into cash amounts that can be determined in advance, are only subject to insignificant risks of fluctuations in value and have a remaining term of no more than three months from the date of acquisition.

Equity

Bearer shares in circulation are classified as equity. As soon as the Group acquires own shares, the consideration paid, including the attributable transaction costs of the shares concerned, is deducted from equity. When treasury shares are sold or issued, the consideration received is added to equity.

Pension provisions (post-employment benefits)

The amount of the obligation resulting from defined benefit plans is determined using the projected unit credit method.

The net interest results from multiplying the discount rate by the net liability (pension obligation less plan assets) or the net asset value, which results if the plan assets exceed the pension obligation, at the beginning of the financial year.

The Group recognises the service cost (including current service cost, past service cost and any gain or loss on plan amendment or curtailment) of the defined benefit obligation in the income statement in cost of sales, administrative expenses or selling expenses, depending on its function.

Revaluations of actuarial gains and losses are recognised immediately in the balance sheet and transferred to retained earnings (debit or credit) through other comprehensive income in the period in which they occur. Revaluations may not be reclassified to the income statement in subsequent periods.

In Germany, statutory pension schemes are defined contribution plans in accordance with IAS 19. Payments for defined contribution plans are recognised as an expense when the employees have rendered the service that entitles them to the contributions.

Provisions, contingent liabilities, and contingent assets

Provisions are recognised in accordance with IAS 37 for obligations of uncertain timing or amount. A provision shall only be recognised if:

a) the Company has a present obligation (legal or constructive) as a result of a past event,
b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c) a reliable estimate of the amount of the obligation is possible.

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, i.e. the amount that the entity would be required to pay, on a reliable basis, to settle the obligation at the balance sheet date or to transfer it to a third party at that date. Non-current provisions are recognised at the present value of the expected cash outflow calculated using the current market interest rate if the interest effect is material.

Provisions for impending losses from onerous contracts (impending loss provisions) are made when the unavoidable costs of fulfilling a transaction are higher than the expected economic benefits. Before a provision is made, impairment losses are recognised on assets related to the transaction.

Liabilities that arise from a possible obligation as a result of a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or that arise from a present obligation that is based on past events but is not recognised because

a) the outflow of resources embodying economic benefits is not probable with the settlement of this obligation, or
b) the amount of the obligation cannot be estimated with sufficient reliability,

are recognised as contingent liabilities unless the probability of an outflow of resources embodying economic benefits to the Company is remote.

Contingent assets are not capitalised but are disclosed analogously to contingent liabilities if an economic benefit for the Group is probable.

2. NOTES ON INDIVIDUAL ITEMS OF THE STATEMENT OF PROFIT AND LOSS

2.1. REVENUES

Revenue	2021		2020	
	T€	%	T€	%
World distribution	17,152	25.75	15,979	30.30
Cinema rights	5,602	8.41	5,240	9.93
TV rights	16,560	24.86	11,499	21.80
Home entertainment rights	20,831	31.27	17,270	32.74
Film production	3,444	5.17	274	0.52
Other	3,029	4.55	2,913	4.71
Total	**66,617**	**100.00**	**53,174**	**100.00**

The geographical distribution of sales from contracts with customers is shown in section 5.1. Segment reporting. Other sales revenues mainly consist of service revenues of € 556 thousand (previous year: € 430 thousand) and film festival revenues of € 103 thousand (previous year: € 134 thousand).

The following table presents opening and closing balances of trade receivables, contract assets and contract liabilities:

Contract balances	31.12.2021	31.12.2020	01.01.2020
	T€	T€	T€
Receivables from deliveries and services	34,351	23,757	36,932
Contract assets	0	0	238
Contractual liabilities	8,704	13,492	11,302

Contract liabilities are based on contracts with customers that are expected to be fulfilled within one year.

2.2. OTHER FILM-RELATED INCOME

Other film-related income is made up as follows:

Other film-related income in T€	2021	2020
Government grants	4,494	1,667
Other	67	426
Total	**4,562**	**2,093**

2.3. COST OF SERVICES RENDERED TO GENERATE SALES REVENUE

Cost of sales in T€	2021	2020
Rental costs	14,257	8,666
Amortization of film rights	33,153	26,987
Licensor transfers	13,685	11,195
Production costs	2,356	1,589
Other costs	1,378	7,081
Total	**64,828**	**55,518**

The amortisation of film rights includes impairments of € 3,268 thousand (previous year: € 3,520 thousand). Other costs mainly include costs for world distribution of € 727 thousand (previous year: € 3,761 thousand) as well as value adjustments on doubtful receivables of € 371 thousand (previous year: € 2,027 thousand).

2.4. OTHER OPERATING INCOME

Other operating income is made up as follows:

Other operating income in T€	2021	2020
Income from reversal of provisions	1,043	1,337
Income from the derecognition of liabilities	36	321
Income from the reversal of provisions for receivables	1,449	591
Foreign exchange gains	183	95
Other income	2,161	2,360
Total	**4,871**	**4,704**

Other income mainly includes income from costs charged on in the amount of € 362 thousand (previous year: € 220 thousand) as well as income from disposal of fixed assets € 301 thousand (previous year: € 70 thousand).

2.5. ADMINISTRATIVE EXPENSES

Administrative expenses are made up as follows:

Administrative expenses in T€	2021	2020
Wages and salaries	9,765	7,967
Social security contributions	1,801	2,197
Expenses for retirement benefits	180	41
Depreciation	1,574	1,571
Other administrative expenses	4,643	5,631
Total	**17,963**	**17,407**

Other administrative expenses mainly include legal and consulting costs of € 2,989 thousand (previous year: € 3,374 thousand) as well as office and travel costs of € 178 thousand (previous year: € 841 thousand). The expenses for wages and salaries and social security contributions included in administrative expenses comprise the entire personnel expenses of the Wild Bunch Group.

2.6. OTHER OPERATING EXPENSES

Other operating expenses include the following items:

Other operating expenses in T€	2021	2020
Impairment of goodwill	1,417	54,798
Foreign currency losses from operating activities	77	189
Other	396	1,670
Total	**1,889**	**56,657**

For information on the impairment of goodwill recognised in the financial year, see section 3.1.

2.7. FINANCIAL RESULT

The financial result is composed as follows:

Financial result in T€	2021	2020
Income from the sale of financial assets	0	2,172
Interest income	0	32
Foreign currency gains from non-operating activities	224	442
Other interest income	-39	7
Financial income	**185**	**2,653**
Interest expenses from financial liabilities	8,173	7,522
Foreign currency losses from non-operating activities	-216	554
Impairments on financial assets	0	388
Other interest expenses	21	146
Financial expenses	**7,978**	**8,609**
Share in the result of associated companies	85	232
Result of associates	**85**	**232**
Financial result	**-7,708**	**-5,723**

2.8. INCOME TAXES

Taxes paid or owed on income and earnings as well as deferred taxes are recognised as income taxes. Income taxes consist of corporate income tax, solidarity surcharge and trade tax as well as the corresponding foreign taxes on income or earnings.

Income tax expense breaks down as follows:

Income taxes in T€	2021	2020
Current taxes	-917	-222
Deferred taxes	1,611	-787
Total	**694**	**-1,009**

The tax income/expense resulting from the application of the parent company's tax rate of 30 % can be reconciled to the reported income taxes as follows:

Tax reconciliation in T€	2020	2021
Earnings before income taxes	-16,339	-75,334
thereof impairment of goodwill	-1,417	-54,798
Basis for tax calculation	-14,922	-20,536
Expected tax income at the applied tax rate of 30 % (previous year: 30 %)	4,476	6,161
Taxes relating to other periods	4	166
Tax additions and deductions	195	-2,098
Effects from loss valuation (mainly non-recognition of deferred tax assets)	-3,205	-5,010
Tax effect from deviating tax rates	-653	-266
Other	-123	38
Tax income according to the financial statements	**694**	**-1,009**

Companies' resident in Germany in the legal form of a corporation are subject to corporation tax at a rate of 15 % and a solidarity surcharge of 5.5 % of the corporation tax due. In addition, the profits of these companies are subject to trade tax, the amount of which is determined by municipality-specific assessment rates. The tax rate of the parent company is therefore 30.0 % (previous year: 30.0 %).

Deferred tax assets and liabilities are composed as follows:

Composition of deferred tax assets and liabilities in T€	2021		2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Film rights	134	0	0	-4,847
Other assets	0	-203	1,402	0
License fee payments	431	0	564	0
Other liabilities	0	-3,329	0	-60
Provisions	91	-1,002	403	-1,489
Other	272	-293	288	-85
Temporary differences	929	-4,826	2,657	-6,481
Loss carryforward	3,652	0	2,309	0
Total	**4,580**	**-4,826**	**4,966**	**-6,481**
Offsetting	-3,531	3,531	-4,566	4,566
Deferred taxes reported	**1,050**	**1,296**	**400**	**-1,915**

The majority of the deferred tax assets as well as the total deferred tax liabilities result from circumstances in connection with the valuation of film exploitation rights (depreciation differences, capitalisation differences, valuations at the lower fair value, recoverability of receivables from the exploitation of film rights). In addition to these causes of deferred taxes, there are further deferred tax assets from tax loss carryforwards amounting to € 1,976 thousand (previous year: € 2,309 thousand). These result from tax planning in the French companies of the Group, which are part of the tax group.

Eurofilm & Media Ltd. as well as Continental Films SAS and Versatile SAS have unused tax loss carryforwards of approximately € 147 million (previous year: € 147 million) and approximately € 70 million (previous year: € 70 million), respectively, for which no deferred tax assets were recognised.

For the companies of the former Senator Group, there are deductible temporary differences of approximately € 13 million (previous year: € 13 million), for which no deferred tax assets were recognised. Furthermore, the Executive Board assumes that, due to a detrimental acquisition of shareholdings at the beginning of 2019, there are no more loss carryforwards from the years prior to 2019 for these companies.

2.9. EARNINGS PER SHARE

Earnings per share calculated in accordance with IAS 33 are based on dividing current earnings by the weighted average number of shares outstanding during the period. There are no potential ordinary shares, so no diluted earnings per share need to be disclosed.

Earnings per share	2021	2020
Share of profit attributable to equity providers in T€	-15,583	-76,385
Average number of shares outstanding	23,942,695	23,942,695
Earnings per share attributable to shareholders basic in EUR	-0.65	-3.19
Earnings per share attributable to shareholders diluted in EUR	-0.65	-3.19

3. NOTES ON ITEMS IN THE BALANCE SHEET

3.1. GOODWILL

Goodwill in T€	2021	2020
Acquisition costs		
1 January	124,454	124,454
Change in the scope of consolidation	0	0
Additions	0	0
Disposals	0	0
31 December	124,454	124,454
Accumulated impairment losses		
1 January	54,798	0
Change in the scope of consolidation	0	0
Additions	1,417	54,798
Disposals	0	0
31 December	56,215	54,798
Net book value	**68,239**	**69,656**

Allocation of goodwill to the cash-generating units

The goodwill was allocated to the cash-generating unit (CGU) International Sales and Distribution and Film Production for the purpose of impairment testing. The definition of the CGU corresponds to the reportable segment of the same name.

Goodwill and assumptions for the impairment test as of 31 December 2021	**Segment International sales and distribution and film production**	**Segment Other**
Goodwill in T€	68,239	0
Period planning horizon	5 years	n/a
Average revenue growth	25.30%	n/a
Average gross profit margin	18.60%	n/a
Long-term growth rate	1.00%	n/a
Discount factor before taxes	10.60%	n/a

Goodwill and assumptions for the impairment test as of 31 December 2020	**Segment International sales and distribution and film production**	**Segment Other**
Goodwill in T€	69,656	0
Period planning horizon	5 years	n/a
Average revenue growth	28.50%	n/a
Average gross profit margin	16.90%	n/a
Long-term growth rate	1.00%	n/a
Discount factor before taxes	8.65%	n/a

CGU International Sales and Distribution and Film Production

In the reporting year, Wild Bunch recognised an impairment of € 1,417 thousand on the goodwill allocated to the CGU International Sales and Distribution and Film Production. As part of the impairment test, the recoverable amounts of the cash-generating units were determined in the form of values in use. The value in use was determined on the basis of adjusted cash flows, which take into account the continuing negative impact of the Corona pandemic on the cash flows. The recoverable amount of the CGU determined on the basis of the value in use amounted to € 110.6 million as of 31 December 2021 (previous year: € 112 million). The cash flow planning was derived from the current budget and the Group's medium-term planning and covers a period of 5 years. A pre-tax discount rate of 10.60 % (previous year: 8.65 %) was used and a sustainable growth rate of 1 % was assumed. The shortfall between the value in use and the book value of the CGU amounted to € 1.4 million and corresponds to the recognised impairment (previous year: shortfall of € 55 million).

The medium-term planning assumes a growth in "gross profit" of 34.6 % p. a. in the years 2022 to 2026. The growth is mainly expected from the increase in investments, i. e. the number of films exploited and in particular in the area of film and TV productions. The rate of increase in investments is around 27 % p.a. in the years 2022 to 2026. Beyond 2026, a long-term growth rate of sustainable free cash flows in perpetuity of 1 % p.a. is assumed.

3.2. INTANGIBLE ASSETS

Intangible assets in T€	Film distribution rights	Other rights	Prepay-ments made	Total
Acquisition costs				
1 January 2021	607,613	629	19,009	627,251
Change in the scope of consolidation	0	0	0	0
Additions	10,434	4	11,640	22,079
Reclassifications	10,994	0	-10,993	0
Disposals	-28,763	-51	-823	-29,636
31 December 2021	600,278	582	18,833	619,694
Accumulated depreciation and amortization expenses				
1 January 2021	569,905	-191	3,171	572,886
Change in the scope of consolidation	0	0	0	0
Additions	31,327	130	474	31,931
of which unscheduled	*3,226*	*0*	*474*	3,700
Reclassifications	0	0	0	0
Disposals	-28,918	-51	0	-28,968
31 December 2021	569,867	-112	3,645	575,848
Net book value 31 December 2021	**27,964**	**694**	**15,188**	**43,845**
Acquisition costs				
1 January 2020	609,145	999	15,311	625,455
Change in the scope of consolidation	0	0	0	0
Additions	14,266	346	8,465	23,077
Reclassifications	4,323	-613	-3,710	0
Disposals	-20,121	-104	-1,057	-21,281
31 December 2020	607,613	629	19,009	627,251
Accumulated depreciation and amortization expenses				
1 January 2020	561,746	535	1,809	564,090
Change in the scope of consolidation	0	0	0	0
Additions	25,042	10	1,362	26,414
of which unscheduled	*2,158*	*0*	*1,362*	3,520
Transfers	632	-632	0	0
Disposals	-17,515	-104	0	-17,619
31 December 2020	569,905	-191	3,171	572,886
Net book value 31 December 2020	**37,708**	**819**	**15,838**	**54,365**

The additions in the reporting year include internally generated intangible assets of € 3,401 thousand from the initial recognition of internally generated film rights.

The Group depreciates film assets using a net revenue-based amortisation method. In addition, the Group performs an annual impairment test of the film distribution and other rights.

For this purpose, the budgets of all film rights are regularly updated with regard to the expected market acceptance. Due to the volatility of the film business in general and the non-scheduled development of some films in particular, there were indications of impairment of intangible assets on the balance sheet date if the respective recoverable amount was below the book value of the film right. Conversely, write-ups were made in the event that the reasons for previously recognised impairments ceased to exist due to higher recoverable amounts.

The Group has updated its assessment of the market acceptance and future revenue expectations of the film library and, where these were lower than previous estimates, tested these films for impairment.

The review showed that the carrying amount of certain film distribution rights exceeded the fair value less costs to sell. Fair value less costs to sell is the amount obtainable from the sale of an asset (film rental right) in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. The fair value less costs to sell is determined using a discount cash flow method. As a result of this analysis, management determined an impairment loss of € 3,268 thousand (previous year: € 3,520 thousand) in the financial year. The impairment loss was recognised in the income statement under cost of sales.

In the case of film rights for which the fair value less costs to sell was negative, i.e. there was an excess of exploitation costs compared to the present value of future cash flows, a provision for impending losses for onerous contracts was also recognised. This provision for contingent losses arises from contractual exploitation and marketing obligations of the Group towards the licensors of the film rights.

The discounted cash flow method applied was based on a pre-tax discount factor of between 5.2 % and 6.5 % (previous year: between 3.9 % and 6.5 %). The CAPM method (Capital Asset Pricing Model) was used to determine the cost of capital and a group of comparable companies (peer group) was used for the business model.

The discounted cash flow method is based on future cash flows, which are derived from a planning calculation for each film right. Cash inflows and outflows from the first exploitation in the cinema, home entertainment and TV stages (provided the respective exploitation rights are available) are planned in detail, while those for subsequent exploitation are estimated at a flat rate per film right.

Disposals of film rights result from the expiry of licence periods or the sale of rights.

3.3. PROPERTY, PLANT AND EQUIPMENT (OTHER EQUIPMENT, FACTORY AND OFFICE EQUIPMENT)

Property, plant and equipment in T€	**31.12.2021**	**31.12.2020**
Acquisition costs		
1 January	2,835	3,023
Additions	101	77
Disposals	-67	-265
31 December	2,870	2,835
Accumulated depreciation		
1 January	2,022	1,986
Additions	152	153
Disposals	-67	-117
31 December	2,107	2,022
Net book value	**762**	**814**

As at the balance sheet date, there are no obligations to purchase property, plant and equipment.

3.4. LEASING

Rights of use in T€	**Rent for rooms and buildings**	**Operating and business equipment and vehicles**	**Other**	**Total**
Acquisition costs				
1 January 2021	6,008	181	9	6,197
Additions	758	0	0	758
Other changes	-9	-3	0	-11
Disposals	0	-46	-9	-55
31 December 2021	6,757	132	0	6,888
Accumulated depreciation				
1 January 2021	2,600	57	6	2,663
Additions	1,241	38	3	1,282
Other changes	0	0	0	0
Disposals	0	-42	-9	-51
31 December 2021	3,841	53	-0	3,894
Net book value 31 December 2021	**2,916**	**78**	**0**	**2,994**

Acquisition costs				
1 January 2020	6,008	211	9	6,227
Additions	0	119	0	119
Other changes	0	0	0	0
Disposals	0	-148	0	-148
31 December 2020	6,008	182	9	6,198
Accumulated depreciation				
1 January 2020	1,287	112	3	1,401
Additions	1,313	94	3	1,410
Other changes	0	0	0	0
Disposals	0	-148	0	-148
31 December 2020	2,600	57	6	2,663
Net book value 31 December 2020	**3,408**	**124**	**3**	**3,535**

The lease liabilities are reported under non-current and current financial liabilities. The maturity of the lease liabilities is as follows:

Analysis of the maturity of leasing liabilities in T€	book value as of 31.12.2021	up to 1 year	1 to 2 years	2 to 3 years	over 3 years
Current lease liabilities	1,191	1,191			
Long-term leasing liabilities	2,155	0	1,057	1,009	88
Total	**3,346**	**1,191**	**1,057**	**1,009**	**88**

Analysis of the maturity of leasing liabilities in T€	book value as of 31.12.2020	up to 1 year	1 to 2 years	2 to 3 years	over 3 years
Current lease liabilities	1,110	1,110	0	0	0
Long-term leasing liabilities	2,781	0	950	929	903
Total	**3,892**	**1,110**	**950**	**929**	**903**

The amounts attributable to leases in the consolidated income statement are as follows:

Leasing contributions in the income statement in T€	2021	2020
Expenses from low-value leasing agreements	0	-3
Amortization of rights of use leases	-1,282	-1,407
Interest expenses from leases	-70	-78
Total	**-1,352**	**-1,488**

The repayments and interest from leases included in the cash flow from financing activities in the reporting year amount to € 1,288 thousand (previous year: € 1,240 thousand).

There were no contractually agreed but not yet commenced leases as of 31 December 2021 or 31 December 2020. There were no renewal options classified as uncertain as of 31 December 2021 or 31 December 2020.

3.5. SHARES IN ASSOCIATED COMPANIES

Investments in associates or joint ventures in T€	2021	2020
1 January	1,842	1,603
Additions	246	3
Disposals	-4	0
Partial result	85	236
Total 31 December	**2,169**	**1,842**

Summarised financial information of the significant associates according to the financial statements prepared in accordance with IFRS as well as the reconciliation of this financial information to the carrying amount of the interest in these joint ventures in the consolidated financial statements is presented below:

The Group owns 24.90 % (previous year: 24.90 %) of the shares in Circuito Cinema s.r.l., a cinema chain based in Rome.

Circuito Cinema S.r.l. in T€	31.12.2021	31.12.2020
Current assets including cash and cash equivalents of T€ 1,344 (previous year: T€ 634) and advance payments of T€ 93 (previous year: T€ 64)	6,367	4,335
Non-current assets	5,519	6,230
Current liabilities including tax liabilities of T€ 0 (previous year: T€ 0)	3,780	3,350
Non-current liabilities including deferred tax liabilities of T€ 0 (previous year: T€ 0) and a long-term loan of T€ 3,866 (previous year: T€ 3,663)	3,880	3,663
Equity	4,053	3,375
Share of the Group	24.9%	24.9%
At-equity valuation	1,811	1,642
	2021	2020
Revenues	5,985	5,925
Cost of materials	-3,402	-3,115
Other operating income	0	0
Personnel expenses	-1,322	-1,476
Depreciation	-714	-972
Other operating expenses	-82	-136
Financial result	-97	-68
Result before taxes	369	158
Income taxes	0	0
Result from continuing operations	369	158
Share of the Group in the result	92	39
Thereof recognised in profit or loss	92	39

3.6. FINANCIAL ASSETS

Other financial assets mainly include deposits paid.

3.7. INVENTORIES

Wild Bunch's inventories of € 580 thousand (previous year: € 2,523 thousand) consist mainly of stocks of audio-visual carriers (merchandise) and work in progress for film productions € 191 thousand; previous year: € 1,975 thousand).

In the 2021 financial year, value adjustments had to be made in full on inventories in the amount of € -7 thousand (previous year: € 802 thousand).

There was no pledging of inventories as collateral for liabilities either in the reporting year or in the previous year.

3.8. TRADE RECEIVABLES AND CONTRACT ASSETS

Trade receivables are composed as follows:

Trade receivables and Contract assets in T€	31.12.2021	31.12.2020
Trade receivables	35,508	26,231
Value adjustments	-1,305	-2,528
Receivables, net	34,202	23,704
Prepayments made	149	53
Total trade receivables	**34,351**	**23,757**
Contract assets	0	0
Total	**34,351**	**23,757**

Trade receivables include requested payments of € 1,270 thousand (previous year: € 79 thousand) for which the film material has already been delivered but the licence period for the exploitation of the film has not yet begun and the customer has not yet made the contractually agreed advance payment. Revenue is recognised at the beginning of the licence period. As Wild Bunch has no further services to render, there is no separate disclosure as a contract asset. All payments requested as of 31 December 2020 were received in the reporting year. Due to the start of the licence period, € 69 thousand (previous year: € 366 thousand) was recognised as revenue in the reporting year, and € 6 thousand (previous year: € 254 thousand) was recognised as cash received under advance payments received. The € 254 thousand recognised in advance payments received in 2020 was recognised as revenue in the reporting year. Value adjustments on requested payments and on contract assets did not exist in the reporting year or in the previous year.

Default risks arise from the risk that a debtor of a receivable can no longer settle it. Receivables management is decentralised in the Group companies. Indicators of the risk are obtained from this, both after a customer-related assessment and based on current empirical values. Default risks are considered in the Group with the formation of value adjustments on the basis of expected future defaults. The cumulative value adjustments for customers for whom the Group has concluded that their creditworthiness is impaired amount to € 1,073 thousand (previous year: € 2,274 thousand); the further credit losses expected over the term as of 31 December 2021 amount to € 232 thousand (previous year: € 254 thousand). The development of the allowances for trade receivables is shown in the following table:

Bad debt allowances in T€	2021	2020
1 January	**2,528**	**1,859**
Additions	347	2,027
Consumption	-839	-767
Resolutions	-731	-591
Total 31 December	**1,305**	**2,528**

The following table shows the risk classes used to determine the expected defaults according to the simplified approach:

Maturity overview in T€	31.12.2021	31.12.2020
Trade receivables	35,508	26,231
Of which neither impaired nor overdue as at the reporting date	20,981	11,703
Overdue in days		
less than 90	8,941	7,010
between 91 and 180	574	804
between 181 and 360	1,967	974
more than 361	3,045	5,740

Accumulated allowances of € 1,305 thousand (previous year: € 2,528 thousand) were made for trade receivables amounting to € 14,527 thousand (previous year: € 14,528 thousand) that were overdue on the balance sheet date. No further impairments were recognised as no significant change in the creditworthiness of these debtors was identified and repayment of the outstanding amounts is expected. The Group does not hold any collateral for these outstanding items.

3.9. OTHER ASSETS

Other current assets in T€	31.12.2021	31.12.2020
Claims against film grant institutions	4,007	4,654
Borrowed money	4,919	5,410
Creditors with a debit balances	179	239
Other	2,117	2,025
Other financial assets	**11,222**	**12,328**
Receivables from taxes	5,068	5,252
Other	798	525
Other non-financial assets	**5,866**	**5,776**
Total	**17,088**	**18,104**

Non-current other assets mainly consist of receivables from deferred long-term prepayments of € 778 thousand (previous year: € 288 thousand).

3.10. SUBSCRIBED CAPITAL

As of 31 December 2021, the share capital amounts to € 23,942,755 (previous year: € 23,942,755), divided into 23,942,755 no-par value bearer shares (previous year: 23,942,755 no-par value shares), each with a notional value of € 1. The subscribed capital is fully paid up. It is divided into no-par value shares.

For a further presentation of the development of equity, please refer to the statement of changes in equity.

Subscribed capital in number of shares	**31.12.2021**	**31.12.2020**
Share capital	23,942,755	23,942,755
Authorized capital (2018/I) up to € 11,971,377.00	0	0
Conditional capital (2020/I) up to € 11,971,377.00	0	0
Own shares	-60	-60
Total	**23,942,695**	**23,942,695**

Treasury shares are recognised in the balance sheet at their notional value of € 60.00 (previous year: € 60.00) as a reduction in equity, the acquisition costs exceeding this amount were offset against the capital reserves. The treasury shares amount to approx. 0.0003 % of the share capital as of 31 December 2020.

By resolution of the Annual General Meeting of 30 June 2015, the Executive Board was authorised, with the consent of the Supervisory Board, to acquire treasury shares in a volume of up to a total of 10 % of the share capital existing at the time of the resolution until 29 June 2020. The acquired shares, together with other treasury shares held by the Company or attributable to it pursuant to §§ 71a et seq. of the German Stock Corporation Act (AktG), may at no time account for more than 10 % of the share capital. In turn, the Company has undertaken not to trade in its own shares and to sell its own shares only under certain circumstances.

In order to enable the Company in the future, to the extent permitted by law, to flexibly adjust its equity capitalisation to the requirements that arise and to be able to take advantage of acquisition opportunities that arise, a new Authorised Capital 2018/I was resolved at the Annual General Meeting on 26 September 2018. The new Authorised Capital 2018/I authorises the Executive Board, with the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions on or before 25 September 2023 by up to a total of € 11,971,377 by issuing new no-par value bearer shares against cash and/or non-cash contributions. The shareholders are generally entitled to the statutory subscription right. Pursuant to § 186 para. 5 of the German Stock Corporation Act (AktG), the new shares may also be taken over by a credit institution or a company operating pursuant to § 53 para. 1 sentence 1 or § 53b para. 1 sentence 1 or para. 7 of the German Banking Act (KWG) with the obligation to offer them to the shareholders for subscription. However, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in the event of capital increases.

The share capital of the Company is further conditionally increased by up to € 11,971,377 by issuing up to 11,971,377 new no-par value bearer shares (Conditional Capital 2020/I). The conditional capital increase serves to grant shares upon the exercise of conversion or option rights or upon the fulfilment of conversion or option obligations or upon tender to the holders or creditors of convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter collectively "Bonds") issued on the basis of the authorisation resolution of the Annual General Meeting of 30 September 2020 under agenda item 6. The new shares shall be issued at the conversion or option price to be determined in each case in accordance with the authorisation resolution of the Annual General Meeting of 30 September 2020. The previously existing conditional capital 2015/I of € 19,750,097 expired in the 2020 financial year.

3.11. CAPITAL RESERVE

The capital reserve amounts to € 57,778 thousand as of 31 December 2021 (previous year: € 56,649 thousand). In 2021, the capital reserve increased by € 1,129 thousand as a result of the application of IFRS 9 to the shareholder loans for which interest was deferred. The increase in the capital reserve in the previous year results from an additional payment of € 1,300 thousand by Voltaire Finance B.V. to Wild Bunch AG in connection with the repayment of the loan to Bank Leumi.

3.12. OTHER RESERVES

The other reserves in the amount of € 56 thousand (previous year: € -38 thousand) result from actuarial gains and losses from pension obligations recognised in equity (section 3.15. Pension obligations).

3.13. MINORITY INTERESTS

The minority interests are attributable to the following companies:

Minority interests in T€	31.12.2021	31.12.2020
Bunch of Talents SAS, Paris, France	21	21
Elle Driver SAS, Paris, France	0	68
Filmoline SAS, Paris, France	390	376
Vértigo Films S.L., Madrid, Spain	-1,388	-1,186
Wild Bunch Germany GmbH, Munich	666	551
BIM Produzione s.r.l., Rome, Italy	-9	-40
Total	**-320**	**-209**

Summarised financial information of material companies with non-controlling interests included in the consolidated financial statements is presented below:

Filmoline SAS, Paris, France in T€	31.12.2021	31.12.2020
Revenues	4,374	5,510

Result	128	-116
Profit share of non-controlling interests	13	-11
Current assets	4,316	4,473
Non-current assets	159	171
Current liabilities	1,821	2,240
Long-term debt	136	25
Total cash flow	1,217	149

Vértigo Films S.L., Madrid, Spain in T€	31.12.2021	31.12.2020
Revenues	2,338	2,974
Result	-1,011	364
Profit share of non-controlling interests	-202	73
Current assets	-11,978	3,201
Non-current assets	5,782	7,315
Current liabilities	685	803
Long-term debt	61	99
Total cash flow	-2,061	1,983

Wild Bunch Germany GmbH, Munich, Germany in T€	31.12.2021	31.12.2020
Revenues	17.786	9.957
Result	953	55
Profit share of non-controlling interests	114	7
Current assets	6.227	8.405
Non-current assets	9.829	10.725
Current liabilities	9.044	13.239
Long-term debt	1.463	1.317
Total cash flow	-928	-5.535

For reasons of materiality, financial information of other companies with minority shareholders are not presented.

3.14. CAPITAL MANAGEMENT

Wild Bunch AG's financial management is centralised at group level. The Group follows value-oriented financing principles in order to ensure liquidity at all times and to minimise financial risks. Cash pooling is organised decentral within the Group. Group-wide cash flows are monitored centrally by the Executive Board as part of cash management.

Financial management also includes currency management to limit the impact of interest rate and currency fluctuations on earnings and cash flow.

Furthermore, Wild Bunch AG strives for a balanced maturity profile. The key figures for the financial management of Wild Bunch AG are revenue; earnings before interest, taxes, depreciation and amortisation (EBITDA); earnings before interest and taxes (EBIT); total investments and net debt.

With regard to the existing loan relationships and the measures currently initiated by the Executive Board for the further financing of the company, we refer to the comments on the going concern assumption in section 1.4.

Equity and the equity ratio developed as follows:

Equity and equity ratio	31.12.2021	31.12.2020
Balance sheet equity in T€	16,101	30,650
Balance sheet total in T€	198,864	205,168
Equity ratio %	**8.1%**	**14.9%**

3.15. PENSION OBLIGATIONS

The Group maintains defined benefit pension plans for all eligible employees of its subsidiaries in France and Italy. The Group accounts for existing legal obligations to pay salary-related termination benefits ("severance payments") at the time of termination of employment as long-term employee benefits. The cost of post-employment defined benefit plans is determined using actuarial calculations. The actuarial valuation is based on assumptions regarding discount rates, expected retirement age, future salary increases and mortality. If the assumptions do not develop in accordance with the premises, the actual expenses for retirement benefits may deviate from the calculated expenses. In line with the long-term nature of these plans, such estimates are subject to significant uncertainties. The provision for pensions and similar obligations amounted to € 735 thousand as of 31 December 2021 (previous year: € 619 thousand).

Defined benefit plans

The current actuarial valuations of the present value of the defined benefit obligations were carried out by external experts as of 31 December 2021, as in the previous year. The present value of the defined benefit obligation and the related service cost were determined using the projected unit credit method.

The most important assumptions on which the actuarial valuation was based are:

	France		Italy	
Assumptions	**2021**	**2020**	**2021**	**2020**
Discount rate	0.85%	0.3%	1.1%	0.8%
Expected salary increase	2.0%	2.0%	1.6%	0.6%
Mortality table	TPGF(H)05	TPGF(H)05	ISTAT 2020	ISTAT 2019
Average age of current employees on retirement (in years)	62	62	k.A.	k.A.
Number of beneficiaries	67	79	12	13

Employee fluctuation was taken into account by means of age-dependent fluctuation tables for executive and non-executive employees in the valuation of pension provisions.

The net pension expenses are composed as follows:

Net pension costs in T€	2021	2020
Service costs	63	55

Net interest expense	6	7
Total	**68**	**62**

The following overview shows the development of the pension obligation:

Development of pension obligations in T€	31.12.2021	31.12.2020
Present value of the defined benefit obligation as of 1 January	619	634
Service costs	63	55
Interest expense	6	7
Actuarial gains and losses from changes in financial assumptions	25	-69
Actuarial gains and losses from changes in demographic assumptions	0	0
Actuarial gains and losses from experience based adjustments		-2
Adjustment of past-due service cost	23	-6
Present value of the defined benefit obligation as of 31 December	**735**	**619**

The present value of the defined benefit obligation as of 31 December 2021 is attributable to Italy in the amount of € 506 thousand and to France in the amount of € 229 thousand.

The following overview shows the development of actuarial gains and losses recognised in equity with reference to the pension obligation:

Development of the actuarial gains and losses recognized in equity and deferred taxes in T€	2021	2020
Actuarial gains and losses recognized in equity and deferred taxes as of 1 January	-39	-92
Actuarial gains and losses	-25	71
Deferred taxes on actuarial gains and losses	7	-18
Actuarial gains and losses and deferred taxes recognized in equity as of 31 December	**-58**	**-39**

The statutory pension insurance in Germany is treated as a "state plan" within the meaning of IAS 19.32 as a multi-employer plan. A total of € 170 thousand (previous year: € 530 thousand) was paid by the employer to the pension insurance provider for the employees of the domestic companies in the 2021 financial year and recognised as an expense (employer's contribution).

Sensitivity analysis

Changes in the relevant actuarial assumptions, such as the discount rate or the average life expectancy, affect the pension obligation as follows.

If the discount rate increases by 1 %, the pension obligation of BIM Distribuzione s.r.l. in Italy would decrease from € 478 thousand to € 433 thousand; if the discount rate decreases by 1 %, the pension obligation of BIM Distribuzione s.r.l. would increase to € 532 thousand. If the average life expectancy in Italy were to increase by 1 year, the pension obligation would amount to € 479 thousand, whereas if the average life expectancy were to decrease by 1 year, the pension obligation would amount to € 478 thousand.

If the discount rate increases by 0.5 %, the pension obligation in France would amount to € 217 thousand, whereas if the discount rate decreases by 0.5 %, the pension obligation in France would amount to € 242 thousand.

The values given only approximate the expected cash outflow in the event of a change in the key assumptions. The calculation was made using the projected unit credit method, which was also used to calculate the pension obligations as of the balance sheet date.

3.16. OTHER PROVISIONS

Other provisions in T€	as of 1.1.2021	Consumption	Resolution	Additions	as of 31.12.2021
Impending losses	17	0	0	0	17
Litigation	0	0	0	40	40
Other provisions	0	0	0	0	0
Non-current provisions	**17**	**0**	**0**	**40**	**57**
Personnel provisions	442	398	0	592	635
Impending losses	0	0	0	16	16
Returns	38	38	0	50	50
Legal provisions	847	220	481	11	156
Other provisions	16	16	0	0	-0
Current provisions	**1,344**	**673**	**481**	**668**	**856**
Net book value 31 December 2021	**1,361**	**673**	**481**	**708**	**913**

The provision for returns was created for risks of expected merchandise returns from Blu-ray and DVD sales. The provision for returns is based on the analysis of contractual and legal obligations and historical developments as well as the Group's experience.

The provisions for impending losses were formed for film rights for which onerous contracts existed. For these film rights, the recoverable amount is negative, i.e. there is an excess of the minimum guarantee still to be paid and selling costs compared to the proceeds. The recoverable amount was determined using the value in use (section 3.2. Intangible assets).

The personnel provisions mainly relate to outstanding holidays and provisions for bonus payments.

The Group expects that all but € 56 thousand (previous year: € 17 thousand) of the provisions will be utilised within one year.

3.17. FINANCIAL LIABILITIES

Financial liabilities in T€	2021	2020
Liabilities to credit institutions	14,469	18,880
Other financial liabilities (excl. leasing liabilities)	104,639	86,939
Total	**119,108**	**105,819**

Analysis of the maturity of financial liabilities:

Analysis of the maturity of financial liabilities in T€	book value as of 31.12.2021	up to 1 year	1 to 2 years	2 to 3 years	over 3 years
Liabilities to credit institutions	14,469	12,969	1,500	0	0
Other financial liabilities (excl. leasing liabilities)	104,639	18,367	84,269	1,403	600
Total	**119,108**	**31,337**	**85,769**	**1,403**	**600**

Analysis of the maturity of financial liabilities in T€	book value as of 31.12.2020	up to 1 year	1 to 2 years	2 to 3 years	over 3 years
Liabilities to credit institutions	18,880	5,244	12,136	1,500	0
Other financial liabilities (excl. leasing liabilities)	86,939	8,800	11,683	66,456	0
Total	**105,819**	**14,044**	**23,819**	**67,956**	**0**

Film rights, trade receivables and cash and cash equivalents serve as collateral for liabilities to banks. As of the reporting date, the book values of the assets pledged as collateral for the loans listed in Appendix 1 total € 12.9 million (previous year: € 13.1 million). Of this amount, € 0 million (previous year: € 0 million) is attributable to film rights and € 12.9 million (previous year: € 13.1 million) to trade receivables. As of the balance sheet date, there were unused credit lines of € 5.2 million (previous year: € 22.9 million). The prerequisite for utilisation was trade receivables eligible for financing in accordance with the criteria in the loan agreement with Commerzbank AG.

3.18. TRADE PAYABLES

Trade payables amounted to € 20,904 thousand (previous year: € 23,438 thousand) as of the balance sheet date, of which € 6,990 thousand (previous year: € 12,790 thousand) were accounted for by liabilities from fixed assets.

Some of the liabilities as of 31 December 2021 were overdue (€ 6,225 thousand; previous year: € 9,642 thousand).

Maturity overview in T€	31.12.2021	31.12.2020
Trade payables	20,904	23,438
Overdue in days		
less than 90	3,404	5,388
between 91 and 180	582	379
between 181 and 360	309	671
more than 361	1,930	3,204

3.19. CONTRACTUAL LIABILITIES

Contract liabilities include consideration already paid by customers for whom the Wild Bunch Group has not yet fulfilled its service obligation. The line "Consumption due to service provision" shows the revenues recognised in the reporting period that were included in the balance of contractual liabilities at the beginning of the period.

Contractual liabilities in T€	2021	2020
1 January	13,492	11,302
Additions	5,632	8,156
Consumption due to service provision	-10,420	-5,966
Total 31 December	**8,704**	**13,492**

3.20. CURRENT OTHER LIABILITIES

Current other financial and non-financial liabilities are composed as follows:

Other current liabilities in T€	31.12.2021	31.12.2020
Licensor transfers	17,517	12,319
Liabilities to film funding agencies	1,363	671
Derivative financial instruments	0	47
Other	889	1,468
Other financial liabilities	**19,770**	**14,505**
Liabilities from other taxes	2,835	4,334
Liabilities from social security contributions	1,749	2,153
Other non-financial liabilities	**4,584**	**6,487**
Total	**24,353**	**20,992**

The Group acquires rights from licensors in return for a minimum guarantee and exploits the rights over the licence period. Revenues from exploitation that exceed the minimum guarantee and marketing costs must be settled with the licensors in accordance with the contractual provisions.

In the previous year, deferred income mainly included revenues already received from TV and home entertainment contracts which could not yet be realised as sales due to the availability of the respective rights. The item is reported under contractual liabilities.

4. NOTES ON THE ITEMS IN THE STATEMENT OF CASH FLOWS

Wild Bunch reports cash flow from operating activities in accordance with IAS 7 "Statement of Cash Flows" using the indirect method, under which the profit or loss for the period is adjusted for the effects of non-cash transactions, deferrals of past or future cash inflows or outflows from operating activities and items of income or expense associated with cash flows from investing or financing activities.

4.1. FINANCIAL RESOURCES FUND

Cash and cash equivalents amounting to € 26,584 thousand (previous year: € 24,924 thousand) consist of cash in hand and bank balances with a remaining term of less than three months amounting to € 26,591 thousand (previous year: € 28,878 thousand) and bank liabilities, insofar as they are current accounts, amounting to € 8 thousand (previous year: € 3,954 thousand).

As collateral for the loan taken out with Commerzbank AG in April 2020, cash and cash equivalents of € 8.8 million serve as collateral as of 31 December 2021. The Group cannot freely dispose of these funds until they are released.

4.2. CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities includes the following inflows and outflows:

Cash inflows and outflows for interest and income taxes in T€	**2021**	**2020**
Income tax paid	89	125
Income tax received	0	1
Interest paid	542	634
Interest received	13	5

4.3. CASH FLOW FROM INVESTING ACTIVITIES

The outflow of liquid funds from investing activities results mainly from investments in film exploitation rights and other intangible assets.

4.4. CASH FLOW FROM FINANCING ACTIVITIES

The cash flow from financing activities in the reporting year is mainly characterised by cash outflows from the repayment of loans and the raising of new funds.

Cash flow from financing activities also includes payments for leases. Leases have been recognised in the balance sheet since the application of IFRS 16 (see also 1.5. Presentation of the main accounting and valuation methods).

In 2021, liabilities attributable to financing activities decreased by € 1,468 thousand with no effect on profit or loss as a result of the application of the regulations of IFRS 9 for the modification of financial liabilities in connection with shareholder loans for which interest deferral was granted.

5. FURTHER INFORMATION

5.1. SEGMENT REPORTING

For the purpose of corporate management, the Group is divided into the following two reportable business segments:

a) The business segment "International Sales and Distribution and Film Production" includes the production and distribution of films.
b) The business segment "Other" includes in particular the operation of a VOD/SVOD platform and other activities.

The International Sales and Distribution and Film Production segment includes, on the one hand, the worldwide distribution and exploitation of films in cinemas in France, Italy, Spain, Germany and Austria as well as the exploitation of theatrical films on television and on video and DVD and, on the other hand, the film production of theatrical films.

The operating results of the business units are monitored by the Executive Board in each case in order to make decisions on the allocation of resources and to determine the profitability of the units. The development of the segments is assessed on the basis of the result and evaluated in accordance with the result in the consolidated financial statements.

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

In the business year, no revenue of more than 10 % was generated with any business partner.

Segment information business areas T€	International sales and distribution and film production		Other		Group	
	2021	2020	2021	2020	2021	2020
Revenues	62,223	47,648	4,394	5,526	66,617	53,174
Other film related income	3,703	1,019	859	1,074	4,562	2,093
Production costs of the services rendered to generate the sales revenue	-61,153	-50,550	-3,675	-4,968	-64,828	-55,518
Segment profit/loss	**4,773**	**-1,883**	**1,578**	**1,632**	**6,351**	**-250**
Unallocated result elements						
Other operating income					4,871	4,704
Administrative expenses					-17,963	-17,407
Other operating expenses					-1,889	-56,657
Profit before financial result and income taxes					**-8,631**	**-69,610**
Financial income					185	2,653
Financial expenses					-7,978	-8,609
Equity result					85	232
Results before taxes					**-16,339**	**-75,334**

Impairment losses of € 3,268 thousand (previous year: € 58,318 thousand) in the financial year relate exclusively to the International Sales and Distribution and Film Production segments. The impairment losses include impairment losses on goodwill of € 1,417 thousand (previous year: € 54,798 thousand).

The related assets and liabilities as well as the financial investments in the respective segment can be broken down as follows:

Segment information assets in T€	31.12.2021	31.12.2020
International sales and distribution and film production	173,364	189,488
Other	25,500	15,680
Assets	**198,864**	**205,168**

Segment information liabilities in T€	31.12.2021	31.12.2020
International sales and distribution and film production	140,873	143,233
Other	41,890	31,285
Liabilities	**182,763**	**174,518**

Segment information investments in intangible assets in T€	2021	2020
International sales and distribution and film production	21,720	15,602
Other		0
Investments in intangible assets	**21,720**	**15,602**

Segment information

The segment data was determined on the basis of the accounting and valuation methods applied in the consolidated financial statements.

Segment assets represent the operating assets of the individual segments.

Segment liabilities include the operating liabilities and provisions of the individual segments.

Investments include expenditures for intangible assets and property, plant and equipment.

Significant non-cash transactions in the "Other" segment relate to the refinancing explained under point 4.4.

Geographical information

The activities of the Wild Bunch Group are mainly spread over France, Germany, Italy and Spain. For the geographical information, sales and non-current assets as well as investments are segmented according to the Company's registered office. Revenues from the international distribution of film rights (2021: € 17,152 thousand; previous year: € 15,979 thousand) are reported under Other, as a breakdown by geographical region is not possible for technical reasons.

Segment information revenue in T€	2021	2020
France	18,430	14,805
Germany	21,234	14,297
Italy	7,383	5,112
Spain	2,338	2,974
Other	17,232	15,986
Revenue	**66,617**	**53,174**

Segment information non-current assets in T€	31.12.2021	31.12.2020
France	18,616	24,296
Germany	11,057	11,944
Italy	10,350	12,874
Spain	6,357	6,737
Other	1,576	3,088
Non-current assets	**47,956**	**58,939**

Segment information investments in T€	2021	2020
France	6,046	4,427
Germany	10,122	6,827
Italy	4,540	3,724
Spain	1,011	701
Other		0
Investments in intangible assets	**21,720**	**15,679**

5.2. FINANCIAL INSTRUMENTS/MANAGEMENT OF FINANCIAL RISKS

The following tables show the carrying amounts and fair values of financial instruments in accordance with IFRS 9. The carrying amounts of financial assets and liabilities measured at amortised cost in the consolidated statement of financial position as of 31 December 2021 and 2020 are substantially the same as their fair values.

Financial Assets as of 31.12.2021 in T€		Valuation according to IFRS 9			
	Book value	Amortised acquisition costs	Contribution Fair value through profit or loss	Valuation according to IFRS 16	Additional time value
Trade receivables	34,351	34,351			34,351
Other financial assets					
Financial assets (Equity instruments)					
Other financial assets	823	823			823
Other receivables	11,222	11,222			11,222
Cash and cash equivalents	26,591	26,591			26,591
Financial assets	**72,988**	**72,988**			**72,988**

Financial liabilities as of 31.12.2021 in T€		Valuation according to IFRS 9			
	Book value	Amortised acquisition costs	Contribution Fair value through profit or loss	Valuation according to IFRS 16	Additional time value
Financial liabilities					
Liabilities to institutions	16,430	16,430			16,430
Leasing liabilities	3,346			3,346	3,346
Other financial liabilities	102,678	102,678			102,678
Trade payables	20,904	20,904			20,904
Derivatives financial liabilities					
Other financial liabilities	19,770	19,770			19,770
Financial liabilities	**163,128**	**159,782**		**3,346**	**163,128**

Financial Assets as of 31.12.2020 in T€		Valuation according to IFRS 9			
	Book value	Amortised acquisition costs	Contribution Fair value through profit or loss	Valuation according to IFRS 16	Additional time value
Trade receivables	23,757	23,757			23,757
Other financial assets					
Financial assets (Equity instruments)	0		0		0
Other financial assets	816	816			816
Other receivables	12,328	12,328			12,328
Cash and cash equivalents	28,878	28,878			28,878
Financial assets	**65,779**	**65,778**	**0**		**65,779**

Financial liabilities as of 31.12.2020 in T€		Valuation according to IFRS 9			
	Book value	Amortised acquisition costs	Contribution Fair value through profit or loss	Valuation according to IFRS 16	Additional time value
Financial liabilities					
Liabilities to banks	18,880	18,880			18,880
Leasing liabilities	3,773			3,773	3,773
Other financial liabilities	86,939	86,939			86,939
Trade payables	23,438	23,438			23,438
Derivatives financial liabilities	47		47		47
Other financial liabilities	14,458	14,458			14,458
Financial liabilities	**147,534**	**143,714**	**47**	**3,773**	**147,534**

The book value of the financial assets pledged as collateral for the loan liability to Commerzbank AG amounts to € 21.7 million.

The derivative financial liabilities in the previous period relate to forward exchange contracts concluded in US dollars to hedge foreign currency risks. The fair values are determined on the balance sheet date based on observable market data (Level 2). The valuation is carried out on a case-by-case basis and with the respective forward rate or price on the balance sheet date. The forward rates or prices are based on the spot rates or prices, taking into account forward premiums or discounts. Changes in the fair value are included in the financial result.

With the exception of financial investments (equity instruments) and derivative financial liabilities, financial instruments are either included in the category of financial assets measured at amortised cost and are accounted for at amortised cost or included in the category of financial liabilities measured at amortised cost and are accounted for accordingly using the effective interest method. Their fair values approximate their carrying amounts.

The following table shows the allocation of income, expenses, gains and losses from financial instruments to the measurement categories according to IFRS 9.

Net results by measurement category in accordance with IFRS 9 in T€	**2021**	**2020**
Assets measured at amortised cost	1,153	-390
thereof financial result	-4	0
Equity instruments measured at fair value with no effect on income		-388
thereof financial result		-388
Liabilities measured at amortised cost	36	321
thereof financial result		1
Liabilities at fair value through profit or loss		-47
thereof financial result		-47
Total	**1,189**	**-503**

General

The Group is subject to the following risks due to its operating activities:

- Credit risks
- Liquidity risks
- Market risks

Market risks also include risks from changes in interest rates.

In the following:

- the risks of the respective risk category identified by Wild Bunch as relevant for the Group are listed,
- describes the objectives, rules and processes for identifying and dealing with the risks of the Wild Bunch Group.

The Wild Bunch Group has a uniform group-wide approach to financial risk management in portfolio form to identify, measure and manage risks. The risk positions result from the cash inflows and outflows made and planned throughout the Group as market risks, concerning changes in interest rates, prices and exchange rates. Interest rate and price change risks are managed by mixing maturities and fixed and variable interest rate positions.

Credit risk

Credit risk is defined as the risk of default by a customer or contractual partner of the Wild Bunch Group, which results in assets, financial assets or receivables reported in the consolidated balance sheet being subject to a value adjustment. Accordingly, the risk is limited to the book value of these assets, if necessary after offsetting receivables against existing liabilities to the same customer or contractual partner.

Credit risks mainly result from trade receivables. The creditworthiness of the respective customers is regularly monitored by the companies included in the consolidated financial statements. Value adjustments are made on the basis of expected risks.

Liquidity risks

In 2021, Wild Bunch and Commerzbank AG have agreed to adjust the maximum amount of the credit line which now amounts to up to € 18.0 million. The facility remains to have a term until October 2022. The agreement with Commerzbank provides for the bank to make funds available to the Company in return for the assignment of receivables. 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 that for the most part need tp be secured by credit default insurance to qualify as eligible for financing. See also section 1.4. at going-concern assumption and in the management report under 3.4. Overall statement by the Executive Board on the development of the Group and 4.4.4. Financial risks. In addition to the assigned receivables, Wild Bunch AG has continuously pledged cash of € 8.8 million as collateral with Commerzbank AG beyond 30 June 2021.

Furthermore, there are leasing liabilities and, in addition to liabilities to banks, financial liabilities to Voltaire Finance B.V. With regard to the maturities of the financial liabilities, see sections 3.4. and 3.16.

Market risks

(a) **Currency risks**

Purchases and sales in foreign currencies can result in risks for the Company depending on the development of the exchange rate. Purchasing can become more expensive due to the exchange rate and sales in foreign currency can lead to lower revenue in euros. In the reporting year, translation differences of € 440 thousand (previous year: € -205 thousand) were recognised in profit or loss.

Sensitivity analyses according to IFRS 7 were carried out for balance sheet items in US dollars with the following result: If the exchange rate had been 10 % higher or lower on the balance sheet date, the result would have been € 76 thousand higher or € 185 thousand higher (previous year: € 19 thousand lower or € 447 thousand higher).

For hedging against exchange rate risks in connection with film production in ZAR, a total of 3 (previous year: 3) forward exchange transactions were concluded in the reporting year for the purchase of ZAR against euros. The nominal value of these transactions totals ZAR 13.5 million. The term of the transactions is between 3 and 5 months and the agreed exchange rate is 18.0000 ZAR/EUR.

(b) Interest rate risks

The Company's interest-bearing receivables and liabilities are subject to both fixed and variable interest rates. Changes in market interest rates for fixed-interest debts would only have an effect if these financial instruments were accounted for at fair value. Since this is not the case, the financial instruments with fixed interest rates are not subject to interest rate risks within the meaning of IFRS 7.

Sensitivity analyses according to IFRS 7 were carried out for variable-interest financial liabilities with the following result: If the market interest rate level had been 100 basis points higher in the financial year, the result would have been € 65 thousand (previous year: € 43 thousand) lower due to the negative EURIBOR. If the market interest rate level had been 100 basis points lower in the financial year, the result would have been € 0 thousand (previous year: € 0 thousand) higher.

5.3. EMPLOYEES

The average number of employees in the financial years was:

Avearage number of employees	2021	2020
France	74	78
Germany	33	32
Italy	14	13
Spain	9	9
Ireland	2	2
Total	**132**	**134**

5.4. RELATIONSHIPS 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 associated companies included at cost or at equity.

Related parties are the members of the Executive Board and the Supervisory Board of Wild Bunch AG as well as their family members (see section 5.9. Members of the Executive Board and the Supervisory Board).

The Company considers Voltaire Finance B.V. ("Voltaire"), Schiphol, The Netherlands and its parent company Tennor Holding B.V. ("Tennor"), Schiphol, The Netherlands as related parties. Voltaire held a total of 96.9 % (previous year: 96.9 %) of the voting rights of the Company as of 31 December 2021. Furthermore, the Company considers Mr Lars Windhorst as a related party and „ultimate controlling party", as he controls Tennor according to information from the Company.

Voltaire has provided the Company with various loans totalling a nominal amount of € 85.3 million (31 December 2020: nominal amount of € 75.3 million). For the scope and conditions of these loans, see the information in the table Financial liabilities at the end of these notes to the consolidated financial statements. Furthermore, the Company and Voltaire have agreed that Voltaire will defer the obligation to pay all interest accrued to date until 31 December 2023. Voltaire provided the Company with a short-term loan of € 8.8 million in 2020. This loan bears interest at 1 % per annum. Voltaire provided the Company with a short-term loan of € 10 million in 2021. This loan bears interest at 5 % per annum Furthermore, Voltaire has assumed an unlimited, directly enforceable maximum amount guarantee in favour of Wild Bunch AG for the entire amount of the credit facility of € 18 million. Please refer to sections 3.10. and 3.14. for the Company's transaction with Voltaire.

For the total remuneration of the Executive Board and the Supervisory Board of Wild Bunch AG, see section 5.10. Total remuneration of the Supervisory Board and the Executive Board.

In addition, there were business relationships with the following related parties:

With the associated company Circuito Cinema s.r.l., Rome, Italy, there were loans and receivables of € 303 thousand (previous year: € 297 thousand) and other receivables of € 17 thousand (previous year: € 2 thousand) with the Group company BIM Distribuzione s.r.l., Rome, Italy, on the balance sheet date. Furthermore, there were trade payables to Circuito Cinema amounting to € 61 thousand (previous year: € 30 thousand). In the financial year, Circuito Cinema settled cinema revenues of € 56 thousand (previous year: € 47 thousand) with the shareholder BIM Distribuzione s.r.l. In the financial year, Circuito Cinema provided services in the context of marketing films for the shareholder BIM Distribuzione s.r.l. amounting to € 103 thousand (previous year: € 70 thousand).

In 2021, there was a capital increase in Circuito Cinema s.r.l. for € 420 thousand, and BIM Distribuzione s.r.l. paid its quote for € 105 thousand.

As of 31 December 2021, Wild Bunch S.A. has receivables of € 1,153 thousand (previous year: € 1,572 thousand) from Wild Bunch International S.A., Paris, France. The receivables result from administrative services provided by Wild Bunch S.A. under a shared service agreement. Furthermore, Wild Bunch S.A. has liabilities to Wild Bunch International S.A. of € 768 thousand (previous year: € 1,262 thousand). The liabilities result from fees according to the distribution agreement between the parties. In the reporting period, Wild Bunch International S.A. provided services in connection with the marketing of films in the amount of € 796 thousand. Furthermore, Wild Bunch S.A. charged costs totalling € 566 thousand for administration costs to Wild Bunch International S.A. in 2021.

In addition, Wild Bunch S.A. charged a total of € 669 thousand of subsidies to Wild Bunch International S.A. in accordance with the agreement between the two parties.

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

5.5. OTHER FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

Claims from court and out-of-court legal disputes arising in the normal course of business could be asserted against the Group companies in the future. The associated risks are analysed with regard to the probability of their occurrence. Although the outcome of these disputes cannot always be accurately estimated, the Executive Board is of the opinion that no material obligations will arise from them beyond the risks taken into account in the annual financial statements.

As of 31 December 2021, the Group had the following fixed financial commitments:

Other financial obligations and contingent liabilities in T€				31.12.2021				31.12.2020
	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	21,809	9,697	12,112	0	19,031	10,709	8,323	0
Other	337	253	84	0	260	164	96	0
Total	**22,147**	**9,950**	**12,196**	**0**	**19,291**	**10,872**	**8,419**	**0**

The financial obligations from minimum guarantees as of 31 December 2021 are predominantly reported with a remaining term of up to one year, but the completion dates for the individual films are often subject to uncertainties and can be significantly delayed in some cases.

The Group has contingent liabilities from subsidy loans repayable through profit or loss (€ 8,416 thousand; previous year: € 10,389 thousand). However, these subsidy loans are only repayable from pro rata future proceeds that exceed the costs. At present, the Company does not assume that these loans will have to be repaid.

5.6. CONTINGENT LIABILITIES

In 2021, BIM Distribuzione s.r.l. provided a guarantee of € 199 thousand for four years for a bank loan received by Circuito Cinema s.r.l. from Banca Nazionale del Lavoro. This loan was subscribed in the context of the restructuration of the cinema theatre Eurcine in Roma.

For the collateralisation of liabilities to banks, please refer to the explanations in section 3.17. Financial liabilities.

5.7. FEES AND SERVICES OF THE AUDITOR

The fees charged by the auditors, Mazars GmbH & Co. KG, Hamburg, in the 2021 financial year are as follows:

Auditor's fees and services in T€	2021	2020
Audit services	465	342
Other services	14	10
Total	**479**	**352**

5.8. DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE

The declaration on the Corporate Governance Code required by § 161 of the German Stock Corporation Act (AktG) was issued and made permanently available to shareholders by publication on the Company's website.

5.9. MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

Executive Board:

- Vincent Grimond, CEO, Chairman of the Executive Board (until 15 November 2021)
- Ron Meyer, CEO, Chairman of the Executive Board, Santa Monica CA, United States (from 16 November 2021)
- Sophie Jordan, Co-CEO, Paris, France (from 16 November 2021)

Supervisory Board:

- Tarek Malak, Berlin, Portfolio Manager at Tennor Holding B.V., Schiphol, The Netherlands (Chairman)
- Kai Dieckmann, Potsdam, Journalist; Founder StoryMachine GmbH, Berlin and Board of Directors of Deutsche Fondsgesellschaft SE Invest, Berlin (Deputy Chairman)
- Pierre Tattevin, Paris, France, Lawyer, Partner and Managing Director, Lazard Investment bank Ltd., Paris, France
- Arjun Metre, Santa Clara, USA, (since 29 August 2019), Head of Sports, Media & Entertainment related Investments at Tennor Holding B.V., Schiphol, The Netherlands

5.10. TOTAL REMUNERATION OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

In the 2021 financial year, the Executive Board received a total of € 492 thousand (previous year: € 300 thousand) in current remuneration from the Group and € 199 thousand (previous year: € 0 thousand) in termination benefits. The current members of the Executive Board have concluded employment contracts with Tennor Holding B.V. No commitments were made, or remuneration paid by Wild Bunch AG in the financial year.

In November 2021, the Supervisory Board and Vincent Grimond agreed to terminate the management contract of Vincent Grimond with immediate effect. Vincent Grimond left the Executive

Board and the Supervisory Board appointed Ron Meyer (CEO) and Sophie Jordan (Co-CEO) to the Executive Board.

The Company has taken out a D&O insurance policy for the executive bodies of the Group.

The Annual General Meeting of the Company resolved on 26 September 2018 to adjust the remuneration of the members of the Supervisory Board. In future, the members of the Supervisory Board will receive € 30,000 annually, the Deputy Chairman of the Supervisory Board € 45,000 and the Chairman of the Supervisory Board € 75,000. Furthermore, Supervisory Board members will receive an additional € 7,500 annually for their membership in a committee of the Supervisory Board and an additional € 15,000 annually for chairing a committee of the Supervisory Board.

In the 2021 financial year, the Supervisory Board received total remuneration of € 233 thousand (previous year: € 258 thousand).

5.11. SHARES HELD BY MEMBERS OF GOVERNING BODIES

As at the balance sheet date 31 December 2021, no member of the governing bodies held shares in Wild Bunch AG.

5.12. EVENTS AFTER THE BALANCE SHEET DATE (SUPPLEMENTARY REPORT)

At the end of February 2022, military warfare on the part of Russia began in Ukraine. Energy prices, which had already risen sharply in the course of 2021, continued to rise. Among other things, Western nations reacted with tighter economic sanctions and increased spending on the arms industry in order to persuade Russia to cease its encroachment. Further price increases or persistently high prices for energy, grain or fertiliser must be expected.

Against this background, there will be perceptible changes in the lifestyles of people worldwide. The impact of these events on private spending in the future is therefore not yet foreseeable, but Wild Bunch does not expect any significant impact on the short term.

The Company is in the process of preparing discussions with Commerzbank AG regarding an extension of the existing credit facility in the amount of up to € 18.0 million, which has a term until October 2022.

On 25 April 2022, Wild Bunch AG and Wild Bunch S.A. agreed with Voltaire Finance B.V. and Tennor Holding B.V. on the renewed deferral of any payment obligations and any payments of accrued and outstanding as well as further accruing interest under the credit agreements until 31 December 2023 and suspended the financial covenants agreed therein until 1 January 2024.

Wild Bunch AG is in advanced negotiations with Voltaire Finance B.V. regarding the extension of further shareholder loans and the postponement of maturities of existing liabilities for the sustainable refinancing of the Wild Bunch Group. To this end, the parties have finalised an agreement under which Voltaire Finance B.V. will provide Wild Bunch AG and Wild Bunch S.A., as borrowers, with a total credit facility of € 100 million over a period of 3 years from the date of full signature of the agreement, subject to compliance with certain business planning requirements, for the financing of working capital requirements, the acquisition or development of new cinematic content or for the financing of general corporate purposes. In parallel, Wild Bunch AG and Voltaire Finance B.V. have finalised the first tranche agreement under the credit facility for a loan of € 17 million with a term of three years and an interest rate of 5 % p. a. Wild Bunch AG expects an inflow of funds by the middle of the 2nd quarter of 2022.

5.13. SHAREHOLDINGS OF WILD BUNCH AG, BERLIN

Unless otherwise stated, the companies' equity and annual results have been stated in accordance with the IFRS 2021 annual financial statements.

Shareholding of Wild Bunch AG, Berlin	2021		
	Share %	Equity in T€	Annual result in T€
Senator Film Köln GmbH, Cologne[1]	100.00	25	0
Mia Wallace Productions GmbH (formerly: Senator Film München GmbH), Munich[1]	100.00	25	0
Senator Film Produktion GmbH, Berlin[1]	100.00	793	0
Senator Film Verleih GmbH, Berlin[1]	100.00	9,132	0
Senator Finanzierungs- und Beteiligungs GmbH, Berlin	100.00	-29	-1
Senator Home Entertainment GmbH, Berlin[1]	100.00	25	0
Senator MovInvest GmbH, Berlin[1]	100.00	29	0
Eurofilm & Media Ltd., Killaloe, Ireland	100.00	491	433
Wild Bunch Austria GmbH, Vienna, Austria[2]	100.00	84	-6
Central Film Verleih GmbH, Berlin[5]	100.00	339	-262
Senator Reykjavik GmbH, Berlin[3]	100.00	-495	1
Rapid Farm House UG, Berlin[3]	100.00	-11	-9
Wild Bunch S.A., Paris, France	100.00	31,841	-6,736
Wild Bunch Germany GmbH, Munich[4]	88.00	2,543	1,054
BIM Distribuzione s.r.l., Rome, Italy[4]	100.00	991	154
BIM Produzione s.r.l., Rome, Italy[6]	90.00	158	117
Bunch of Talents SAS, Paris, France[4]	80.00	104	1
Capricci World, Nantes, France[7]	33.00	-	-
Cinéma de Panthéon, Paris, France[7]	19.00	-	-
Circuito Cinema s.r.l., Rome, Italy[6]	24.90	4,053	369
Continental Films SAS, Paris, France[4]	100.00	-48,713	513
Elle Driver SAS, Paris, France[4]	100.00	2,768	750
EWB2 SAS, Paris, France[4]	100.00	3,339	25
EWB3 SAS, Paris, France[4]	100.00	5,229	48
Filmoline SAS, Paris, France[4]	90.09	2,540	228
Versatile SAS, Paris, France[4]	100.00	-2,824	-130
Vértigo Films S.L., Madrid, Spain[4]	80.00	-1,260	-1,150
Virtual Films Ltd., Dublin, Ireland[4]	100.00	-24,376	301
Wild Bunch International SAS, Paris, France[4]	18.99	1,887	614

[1] Profit transfer agreement with Wild Bunch AG

[2] indirectly via Senator Film Verleih GmbH, Berlin

[3] indirectly via Senator Film Produktion GmbH, Berlin

[4] indirectly via Wild Bunch S.A., Paris

[5] 50 % indirectly via Wild Bunch S.A., Paris

[6] indirectly via BIM Distribuzione s.r.l., Rome

[7] financial information not available

Berlin, as of 29 April 2022

Wild Bunch AG

Ron Meyer

Chairman of the Executive Board (CEO)

Sophie Jordan

(Co-CEO)

ANNEX 1 - FINANCIER'S SCHEDULE

in T€

	Company	Bank	Nominal credit line	Book values [a)]	Date Book values
Operating credit line					
1	Wild Bunch AG	Commerzbank AG [b)]	18,000	12.806	31.12.2021
2	several borrowers	Current accounts liabilities	n,a,	122	31.12.2021
Total			**18.000**	**12,928**	
Loans - Project financing					
3	Wild Bunch Germany GmbH	Commerzbank AG	1,500	1.500	31.12.2021
4	BIM Produzione s.r.l.	Banca Intesa	600	600	31.12.2021
5	BIM Produzione s.r.l.	Banca Intesa	2,300	1.300	31.12.2021
6	Vértigo Films S.L.	Ibercaja Banca	106	103	31.12.2021
Total			**4.506**	**3,503**	
Loan - Investor					
7	Wild Bunch AG		5,000	4,932	31.12.2021
8	Wild Bunch AG		8,800	8.800	31.12.2021
9	Wild Bunch AG		10,000	10.000	31.12.2021
10	Wild Bunch AG - Accrued interest		-	2,027	31.12.2021
11	Wild Bunch S.A.		35,000	34,523	31.12.2021
12	Wild Bunch S.A.		26,456	26,095	31.12.2021
13	Wild Bunch S.A. - Acrrued interest		-	16,300	31.12.2021
Total			**85.256**	**102,678**	
Leasing liabilities					
14	Wild Bunch Konzern [c)]		3,346	3.346	31.12.2021
Total			**3.346**	**3,346**	
Total sum			**111.108**	**122,455**	

a) Book values incl. accrued interest

b) Drawing of free credit line depending on the amount of the financeable claims

c) IFRS 16

Free credit line as of 31.12.2021	Interest p.a.	Variable interest rate component	Interest	Commitment fee	Duration	Collateral
5,194	2.75%	EURIBOR	monthly	0.50%	10/2022	Trade receivables; cash and cash equivalents
0	variabel	EURIBOR	monthly	n.a.	n.a.	None
5,194						
n.a.	2.00%	fix	quartely	2.00%	07/2023	Assignment of claims from project insurance for € 1.5 million; pledge of credit balance on project account
n.a.	1.96%	EURIBOR	on drawing	n.a.	09/2026	Guarantee of BIM Distribuzione s.r.l.
n.a.	3.39%	EURIBOR	quartely	n.a.	10/2024	Trade receivables;guarantee of BIM Distribuzione s.r.l
n.a.	1.50%	EURIBOR	monthly	n.a.	05/2024	Guarantee issued by the Spanish government (Covid-19 aid)
0						
0	9.50%	fix	bullet	0.50%	05/2023	None
0	1.00%	fix	bullet	n.a.	ufn	Repayment in accordance with the release of cash collateral by Commerzbank
0	5.00%	fix	bullet	n.a.	10/2022	None
0		fix	bullet	n.a.	12/2022	None
0	9.50%	fix	bullet	0.50%	06/2023	None
0		fix	bullet	0.50%	06/2023	None
0	9.50%	fix	bullet	n.a.	12/2022	None
0						
n.a.	1.6% - 2.7%	n.a.	n.a.	n.a.	n.a.	None
0						
5,194						

ASSURANCE OF THE LEGAL REPRESENTATIVES AS OF 31 DECEMBER 2021

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, as of 29 April 2022

Wild Bunch AG

Ron Meyer

Chairman of the Executive Board (CEO)

Sophie Jordan

(Co-CEO)

FORWARD-LOOKING STATEMENTS AND NOTES

This document contains statements that relate to our future business and financial performance and to future events or developments affecting Wild Bunch and may constitute forward-looking statements. These statements can be identified by words such as "expect", "want", "anticipate", "intend", "plan", "believe", "seek", "estimate", "will" and "predict" or similar expressions. Such statements are based on Wild Bunch management's current expectations and certain assumptions, many of which are beyond Wild Bunch's control. They are therefore subject to, but not limited to, a variety of risks, uncertainties and factors described in disclosures, particularly in the Risks section of the Annual Report. Should one or more of these risks or uncertainties materialise, should regulatory decisions, assessments or requirements turn out to be different than expected or should it turn out that the underlying expectations do not materialise or assumptions were incorrect, Wild Bunch's actual results (both negative and positive) may differ materially from the results expressly or implicitly stated in the forward-looking statement. Wild Bunch does not undertake any obligation, and does not intend, to update or revise these forward-looking statements in light of developments that differ from those anticipated.

Due to rounding, it is possible that individual figures in this document do not add up exactly to the totals shown and that percentages shown do not accurately reflect the absolute values to which they relate.

This document is also available in English translation. In case of discrepancies, the German version of the document shall prevail over the English translation.

For technical reasons, there may be differences between the accounting documents contained in this document and those published due to legal requirements.

INDEPENDENT AUDITOR'S REPORT

To Wild Bunch AG, Berlin:

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED GROUP MANAGEMENT AND MANAGEMENT REPORT

QUALIFIED AUDIT OPINIONS

We have audited the consolidated financial statements of Wild Bunch AG and its subsidiaries (the Group), which comprise the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the combined group management report and management report of Wild Bunch AG for the financial year from 1 January 2021 to 31 December 2021. In accordance with German legal requirements, we have not audited the content of the components of the combined group management and management report mentioned in the "Other information" section of our audit opinion.

In our opinion, based on the findings of our audit,

- the accompanying consolidated financial statements, with the exception of the possible effects of the matter described in the section "Basis for the qualified audit opinions", comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) HGB and give a true and fair view, in accordance with these requirements, of the financial position of the Group as at 31 December 2021 and of its financial performance for the financial year from 1 January 2021 to 31 December 2021, and

- the attached combined group management and management report, with the exception of the possible effects of the matter described in the section "Basis for the qualified audit opinions", as a whole provides a suitable view of the Group's position. In all material respects, except for the possible effects of this matter, the combined group management and management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the combined group management and management report does not cover the content of the components of the combined group management and management report mentioned in the section "Other information".

In accordance with § 322 (3) sentence 1 HGB, we declare that, with the exception of the limitations of the audit opinions on the consolidated financial statements and the combined group management and management report mentioned above, our audit has not led to any reservations concerning the propriety of the consolidated financial statements and the combined group management and management report.

BASIS FOR THE QUALIFIED AUDIT OPINIONS

The notes to the consolidated financial statements contain the tax reconciliation statement and explanations on the composition of deferred tax assets and liabilities in section 2.8. "Taxes on income". We were not able to obtain sufficient and appropriate documentation and audit evidence regarding the prior year disclosures in the reconciliation and notes. We were therefore unable to draw conclusions on the adequacy of the detailed disclosures and the offsetting of deferred tax assets and liabilities of the legal representatives in the prior year comparative figures. We cannot exclude the possibility that the details of the reconciliation to the previous year may be incorrect or that the netting of deferred taxes in the comparative figures for the previous year was carried out incorrectly. This situation may also affect the presentation and explanation of the previous year's comparative figures on the asset situation in the combined group management and management report.

We conducted our audit of the consolidated financial statements and the combined group management and management report in accordance with § 317 HGB and the EU Regulation on Auditing of Financial Statements (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and principles is further described in the section "Auditor's responsibility for the audit of the consolidated financial statements and the combined group management and management report" of our auditor's report. We are independent of the group entities in accordance with European law as well as German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, pursuant to Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services pursuant to Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions on the consolidated financial statements and the combined group management and management report.

MATERIAL UNCERTAINTY RELATED TO THE GOING CONCERN ASSUMPTION

We refer to the information in section 1.4. "Exercise of discretion and estimation uncertainties - going concern assumption" in the notes to the consolidated financial statements and in section 4.4.4. "Financial risks" of the combined group management and management report, in which the legal representatives state, among other things, that if the planned financing measures cannot be carried out in time or successfully, this could impair the further development of the company and the group and jeopardise their existence. This indicates the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern and represents a going concern risk within the meaning of § 322 (2) sentence 3 HGB.

Our audit opinion is not modified with respect to this matter.

PARTICULARLY IMPORTANT AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2021 to 31 December 2021. These matters were considered in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

ASSESSMENT OF THE GROUP'S GOING CONCERN PREMISE BY THE EXECUTIVE BOARD OF WILD BUNCH AG

RELATED INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED GROUP MANAGEMENT AND MANAGEMENT REPORT

The Group's planning disclosures are included in section 1.4. "Use of judgement and estimation uncertainty - going concern assumption" of the notes to the consolidated financial statements as well as in sections 3.2. "Orientation of the Group in the 2022 financial year and expected development", 3.3. "Overall statement by the Executive Board on the development of the Group" and 4.4.4. "Financial risks" of the combined Group management and management report.

FACTS AND RISK FOR THE AUDIT

In preparing the consolidated financial statements, the Executive Board of Wild Bunch AG has assumed that the company will continue as a going concern. This assessment is based on the liquidity planning for the Wild Bunch Group until 30 April 2023 and the business planning for the period 2022 to 2026.

Liquidity planning and medium-term business planning are prepared together for the entire group of companies. Within the framework of liquidity planning, the expected incoming and outgoing payments of the group companies are aggregated on a monthly basis. The business planning is prepared taking into account the existing investment budget and on the basis of assumptions about the evaluation revenues that can be achieved in the future as well as the financing and refinancing possibilities of the Group. Liquidity and business planning are characterised by a high degree of uncertainty, as they are based on assumptions about the future that are subject to subjective margins of judgement. In particular, there is a risk that the assumptions about the available financing options on which the liquidity and business planning are based will not fully materialise as planned. This would impair the further development of the group and could jeopardise its existence.

AUDIT APPROACH AND FINDINGS

In the course of our audit, we verified the content of the liquidity and business plans prepared by the Group and checked the plausibility of the underlying assumptions. In addition, we critically assessed the feasibility of the planned future financing measures.

After intensive discussion of the liquidity and business planning and the assumptions on which they are based with the Executive Board, we have come to the conclusion that the assumptions and planning targets are plausible from today's perspective. Accordingly, the liquidity planning for the Wild Bunch Group does not show any shortfall until the end of the planning period, taking into account the existing and further planned financing measures. We come to the conclusion that the liquidity and business planning are overall risky but plausible. We consider the Executive Board's assessment of the risks that could impair the development or jeopardise the existence of the company if the planned financing measures do not materialise to be comprehensible and plausible. In this context, we refer to our explanations in the section "Significant uncertainty in connection with the continuation of the company's operations".

IMPAIRMENT OF GOODWILL

RELATED INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED GROUP MANAGEMENT AND MANAGEMENT REPORT

The Group's disclosures on goodwill are included in sections 1.4. "Use of judgement and estimation uncertainty", 1.5. "Presentation of accounting policies - Intangible assets and - Impairment of non-financial assets" and 3.1. "Goodwill" of the notes to the consolidated financial statements.

FACTS AND RISK FOR THE AUDIT

The consolidated financial statements of Wild Bunch AG include goodwill totalling € 68.2 million, which accounts for around 34 % of the balance sheet total and exceeds the group's equity by € 52.1 million. The goodwill is subjected to an annual impairment test by the company in order to determine a possible need for depreciation. Goodwill was written down by € 1.4 million in the reporting year. The result of the impairment test depends to a large extent on how the legal representatives estimate the future cash inflows and derive the discount rates used in each case. Due to the underlying complexity of the valuation and the discretionary scope available within the framework of the valuation, we consider the recoverability of goodwill to be a particularly important audit matter.

AUDIT APPROACH AND FINDINGS

As part of our audit, we analysed the process implemented by the legal representatives of Wild Bunch AG as well as the accounting and valuation specifications for determining the recoverable amounts of cash-generating units to which goodwill was allocated for possible risks of error and obtained an understanding of the process steps and the implemented internal controls. We assessed the Group's approach in determining the capitalisation rates and in deriving the future profits for compliance with IAS 36.

We analysed the corporate planning underlying the impairment test. We verified the key assumptions regarding growth, planned business development and future profitability. We discussed the planning in detail with the legal representatives of Wild Bunch AG. On this basis, we assessed its appropriateness.

We examined the appropriateness of the other material valuation assumptions, such as the discount rate, with the support of internal valuation specialists on the basis of an analysis of market indicators. We analysed the parameters used in determining the discount rates with regard to their appropriate derivation and traced their calculation in compliance with the requirements of IAS 36.

In our opinion, the impairment test carried out by the legal representatives of the parent company as well as the valuation parameters and assumptions applied for this purpose are suitable overall for testing the recoverability of the goodwill.

VALUATION OF THE FILM DISTRIBUTION RIGHTS

RELATED INFORMATION IN THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED GROUP MANAGEMENT AND MANAGEMENT REPORT

The Group's disclosures on film distribution rights as a component of intangible assets are included in sections 1.4. "Use of judgement and estimation uncertainty", 1.5. "Presentation of accounting policies - Intangible assets" and 3.2. "Intangible assets" of the notes to the consolidated financial statements.

FACTS AND RISK FOR THE AUDIT

Intangible assets include film distribution rights amounting to € 28.0 million, which account for around 14 % of the balance sheet total. The film distribution rights form the basis for the business activities of the Wild Bunch Group. The acquisition costs for the film distribution rights are amortised using a net revenue-based method. In addition, the film distribution rights are subjected to an annual impairment test (impairment test in accordance with IAS 36) on the balance sheet date. For this purpose, the budgets of all film rights are regularly updated with regard to the expected market acceptance and the respective recoverable amount from the film rights (fair value less costs to sell) is determined using a discounted cash flow method.

The result of these valuations is highly dependent on how the legal representatives estimate the future cash inflows from the evaluations, as well as on the discount rates used in each case. The valuation is therefore subject to significant uncertainties. Against this background, we consider the recoverability of the film distribution rights to be a particularly important audit matter.

AUDIT APPROACH AND FINDINGS

As part of our audit, we have, among other things, reviewed the methodology used to perform the impairment tests and assessed the calculation of the weighted average cost of capital for compliance with the requirements of IAS 36.

In addition, we satisfied ourselves that the future net proceeds from the exploitation of the film rights on which the valuations are based were calculated or planned appropriately. To this end, we performed spot checks to reconcile the contractually agreed exploitation fees with the planned net proceeds and assessed the appropriateness of the assumptions made about future proceeds from further exploitation opportunities. Since the assumptions about future proceeds are highly discretionary, we discussed them intensively with the legal representatives.

In addition, we looked at the parameters used to determine the discount rate and understood the calculation scheme.

In our opinion, the impairment tests carried out by the legal representatives of the parent company as well as the valuation parameters and assumptions applied for this purpose are suitable overall to test the recoverability of the film distribution rights.

OTHER INFORMATION

The legal representatives or the supervisory board are responsible for the other information. The other information comprises the following components of the combined group management and management report that have not been audited as to their content:

- the corporate governance statement pursuant to §§ 289f and 315d of the German Commercial Code (HGB), to which reference is made in the combined group management and management report

The other information also includes:

- the assurance of the legal representatives pursuant to § 297 (2) sentence 4 and § 315 (1) sentence 5 of the German Commercial Code (HGB) in the section "Assurance of the legal representatives" of the annual report 2020
- the report of the Supervisory Board, and
- the other parts of the annual report - without further cross-references to external information -, with the exception of the audited consolidated financial statements and the combined group management and management report as well as our auditor's report

The Supervisory Board is responsible for the Report of the Supervisory Board. Otherwise, the legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and the combined group management and management report do not cover the other information and, accordingly, we do not express an opinion or any other form of conclusion on it.

In connection with our audit, we have a responsibility to read the other information and, in doing so, assess whether the other information:

In connection with our audit, we have a responsibility to read the other information and, in doing so, assess whether the other information:

- are materially inconsistent with the consolidated financial statements, the combined group management report and management report or our knowledge obtained in the audit; or
- otherwise appear to be materially misrepresented.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED GROUP MANAGEMENT AND MANAGEMENT REPORT

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for accounting on a going concern basis unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined group management report and management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of the combined group management and management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence to support the statements in the combined group management and management report.

The Supervisory Board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and the combined group management and management report.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED GROUP MANAGEMENT AND MANAGEMENT REPORT

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined group management and management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the combined group management and management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and EU-APrVO and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the combined group management and management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- we identify and assess the risks of material misstatement of the consolidated financial statements and the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material misstatements is higher in the case of non-compliance than in the case of inaccuracies, as non-compliance may involve fraud, forgery, intentional omissions, misleading representations or the override of internal controls.
- we obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of the arrangements and actions relevant to the audit of the combined group management and management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- we conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the combined group management and management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may result in the Group being unable to continue as a going concern.
- we assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) HGB.
- we obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the group to express opinions on the consolidated financial statements and the combined group management and management report. We are responsible for directing, supervising and performing the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- we assess the consistency of the combined group management and management report with the consolidated financial statements, its compliance with the law and the understanding of the group's position given by it.
- we perform audit procedures on the forward-looking statements made by management in the combined group management report and management report. On the basis of sufficient suitable audit evidence, we in particular verify the significant assumptions underlying the forward-looking disclosures made by the legal representatives and assess the appropriate derivation of the forward-looking disclosures from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a

significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence, and the safeguards that we have put in place.

From the matters discussed with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure of the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

REPORT ON THE AUDIT OF THE ELECTRONIC REPRODUCTIONS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED GROUP MANAGEMENT AND MANAGEMENT REPORT PREPARED FOR THE PURPOSE OF DISCLOSURE IN ACCORDANCE WITH § 317 (3A) HGB

AUDIT OPINION

Pursuant to § 317 (3a) HGB, we have performed a reasonable assurance engagement to obtain audit evidence about whether the reproductions contained in the file wbah-2021-12-31-de. zip (MD5 hash value: a17e070d1418f9adb01b764e45f87b6c) and prepared for the purpose of disclosure comply in all material respects with the electronic reporting format ("ESEF format") pursuant to § 328 (1) HGB. In accordance with German legal requirements, this audit only covers the transfer of the information of the consolidated financial statements and the combined group management and management report into the ESEF format and therefore neither the information contained in these reproductions, nor any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the combined group management and management report contained in the above-mentioned file and prepared for the purpose of disclosure comply in all material respects with the requirements of § 328 (1) HGB regarding the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond this opinion and our opinions on the accompanying consolidated financial statements and the accompanying combined group management and management report for the financial year from 1 January 2021 to 31 December 2021 contained in the preceding "Report on the audit of the consolidated financial statements and the combined group management and management report".

BASIS FOR THE AUDIT OPINION

We conducted our audit of the reproductions of the consolidated financial statements and the combined group management and management report contained in the above-mentioned file in accordance with § 317 (3a) HGB and the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with § 317 (3a) HGB (IDW PS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1).

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The Company's management is responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the combined group management and management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the certification of the consolidated financial statements in accordance with § 328 (1) sentence 4 no. 2 HGB.

Furthermore, the legal representatives of the company are responsible for the internal controls they deem necessary to enable the preparation of the ESEF documents that are free from material - intentional or unintentional - violations of the requirements of § 328 para. 1 HGB regarding the electronic reporting format.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of § 328 (1) HGB. During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- we identify and assess the risks of material non-compliance with the requirements of § 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- we obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- we assess the technical validity of the ESEF documentation, i. e. whether the file containing the ESEF documentation meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, for the technical specification for that file.
- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited combined group management report and management report.
- we assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendition.

OTHER INFORMATION ACCORDING TO ARTICLE 10 EU-APRVO

We were elected as auditors by the Annual General Meeting on 25 January 2022. We were appointed by the Supervisory Board on 8 February 2022. We have been the auditor of Wild Bunch AG since the 2017 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Supervisory Board pursuant to Article 11 EU-APrVO (audit report).

OTHER MATTERS - USE OF THE AUDITOR'S REPORT

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited combined group management and management report as well as the audited ESEF documents. The consolidated financial statements and the combined group management and management report converted into the ESEF format - including the versions to be published in the Federal Gazette ("Bundesanzeiger") - are merely electronic reproductions of the audited consolidated financial statements and the audited combined group management and management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

AUDITOR IN CHARGE

The auditor responsible for the audit is Frank Pannewitz.

Berlin, 29 April 2022

Mazars GmbH & Co KG

Wirtschaftsprüfungsgesellschaft

Steuerberatungsgesellschaft

Udo Heckeler	Frank Pannewitz
German Public Auditor	German Public Auditor

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Sophie Jordan

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Register number

HRB 68059

2022

Photos

Title

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